

# ***ITS*** *Mississippi Department of Information Technology Services*

## **RFP No: 3592**

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INVITATION: Sealed proposals, subject to the attached conditions, will be received at this office until **July 16, 2010 @ 3:00 p.m.** Central Time for the acquisition of the products/services described below for Mississippi State Tax Commission.

Acquisition of software and services for the implementation of a web-based Commercial Off-The-Shelf (COTS) Integrated Tax Management System, Internet Taxpayer Service Center and Data Warehouse

NOTE: THIS RFP CONTAINS MANDATORY REQUIREMENTS TO WHICH NO EXCEPTION MAY BE TAKEN. SEE SECTION VII, ITEM 2, FOR DETAILS.

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**The Vendor must submit proposals and direct inquiries to:**

Rita Rutland  
Technology Consultant  
Information Technology Services  
Suite 508, 301 N. Lamar Street  
Jackson, MS 39201-1495  
(601) 359-1022  
Rita.Rutland@its.ms.gov

To prevent opening by unauthorized individuals, all copies of the proposal must be sealed in the package. The following must be clearly typed on a label affixed to the package in a clearly visible location:

PROPOSAL, SUBMITTED IN RESPONSE TO  
RFP NO. 3592  
due July 16, 2010 @ 3:00 p.m.,  
ATTENTION: Rita.Rutland

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**David L. Litchliter**  
**Executive Director, ITS**

## ITS RFP Response Checklist

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RFP Response Checklist: These items should be included in your response to RFP 3592.

- \_\_\_\_\_ 1) One clearly marked original response and twenty (20) identical copy/copies of the complete proposal. Label the front and spine of the three-ring loose-leaf binder with the Vendor name and RFP number. Include the items listed below inside the binder. Please DO NOT include a copy of the RFP in the binder.
- \_\_\_\_\_ 2) *Submission Cover Sheet*, signed and dated. (Section I)
- \_\_\_\_\_ 3) *Proposal Bond*, if applicable (Section I)
- \_\_\_\_\_ 4) *Proposal Exception Summary*, if applicable (Section V)
- \_\_\_\_\_ 5) Vendor response to *RFP Questionnaire* (Section VI)
- \_\_\_\_\_ 6) Point-by-point response to *Technical Specifications* (Section VII)
- \_\_\_\_\_ 7) Vendor Product Support Statement of Intent (Section VII, Item 8.7)
- \_\_\_\_\_ 8) Vendor response to *Cost Information Submission* (Section VIII)
- \_\_\_\_\_ 9) *References* (Section IX)
- \_\_\_\_\_ 10) Preliminary Project Work Plan (Section VII, Item 9)
- \_\_\_\_\_ 11) Preliminary Data Conversion Plan

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## **PROPOSAL BONDS**

A Proposal Bond is not required for this RFP.

## **SECTION II**

### **PROPOSAL SUBMISSION REQUIREMENTS**

The objective of the Proposal Submission Requirements section is to provide Vendors with the information required to submit a response to this Request for Proposal (RFP). A Vendor who has responded to previous RFPs issued by **ITS** should not assume that the requirements are the same, as changes may have been made.

1. Failure to follow any instruction within this RFP may, at the State's sole discretion, result in the disqualification of the Vendor's proposal.
2. The State has no obligation to locate or acknowledge any information in the Vendor's proposal that is not presented under the appropriate outline according to these instructions and in the proper location.
3. The Vendor's proposal must be received, in writing, by the office of **ITS** by the date and time specified. **ITS** is not responsible for any delays in delivery or expenses for the development or delivery of proposals. Any proposal received after proposal opening time will be returned unopened. Any proposal received with insufficient postage will be returned unopened.
4. Proposals or alterations by fax, e-mail, or phone will not be accepted.
5. Original signatures are required on one copy of the Submission Cover Sheet and Configuration Summary, and the Vendor's original submission must be clearly identified as the original. The Vendor's original proposal must include the Proposal Bond, (if explicitly required in Section IV).
6. **ITS** reserves the right to reject any proposals, including those with exceptions, prior to and at any time during negotiations.
7. **ITS** reserves the right to waive any defect or irregularity in any proposal procedure.
8. The Vendor may intersperse their response following each RFP specification but must not otherwise alter or rekey any of the original text of this RFP. If the State determines that the Vendor has altered any language in the original RFP, the State may, in its sole discretion, disqualify the Vendor from further consideration. The RFP issued by **ITS** is the official version and will supersede any conflicting RFP language submitted by the Vendor.

The Vendor must conform to the following standards in the preparation of the Vendor's proposal:

- 8.1 The Vendor is required to submit one clearly marked original response and twenty (20) identical copy/copies of the complete proposal, including all sections and exhibits, in three-ring binders.

- 8.2 To prevent opening by unauthorized individuals, all copies of the proposal must be sealed in the package. A label containing the information on the RFP cover page must be clearly typed and affixed to the package in a clearly visible location.
  - 8.3 Number each page of the proposal.
  - 8.4 Respond to the sections and exhibits in the same order as this RFP.
  - 8.5 Label and tab the responses to each section and exhibit, using the corresponding headings from the RFP.
  - 8.6 If the Vendor does not agree with any item in any section, then the Vendor must list the item on the *Proposal Exception Summary Form*. (See Section V for additional instructions regarding Vendor exceptions.)
  - 8.7 Occasionally, an outline point in an attachment requests information which is not applicable to the products/services proposed. If the Vendor is certain the point does not apply to the given RFP, the Vendor should respond with "NOT APPLICABLE."
  - 8.8 Where an outline point asks a question or requests information, the Vendor must respond with the specific answer or information requested.
  - 8.9 When an outline point/attachment is a statement provided for the Vendor's information only, the Vendor need only read that point. The Vendor acknowledges having read and accepting, or taking exception to, all sections by signing the *Submission Cover Sheet* and providing a *Proposal Exception Summary Form*.
  - 8.10 Where a minimum requirement has been identified, respond by stating the item (e.g., device name/model number, guaranteed response time) proposed and how it will meet the specifications.
  - 8.11 The Vendor must fully respond to each requirement within the *Technical Specifications* by fully describing the manner and degree by which the proposal meets or exceeds said requirements.
9. It is the responsibility of the Vendor to clearly identify all costs associated with any item or series of items in this RFP. The Vendor must include and complete all parts of the cost proposal in a clear and accurate manner. **Omissions, errors, misrepresentations, or inadequate details in the Vendor's cost proposal may be grounds for rejection of the Vendor's proposal. Costs that are not clearly identified will be borne by the Vendor.** The Vendor must complete the *Cost Information Submission* in this RFP, which outlines the minimum requirements for providing cost information. The Vendor should supply supporting details as described in the *Cost Information Submission*.

10. **ITS** reserves the right to request additional information or clarification of a Vendor's proposal. The Vendor's cooperation during the evaluation process in providing **ITS** staff with adequate responses to requests for clarification will be considered a factor in the evaluation of the Vendor's overall responsiveness. Lack of such cooperation or failure to provide the information in the manner required may, at the State's discretion, result in the disqualification of the Vendor's proposal.
11. Unsolicited clarifications and updates submitted after the deadline for proposals will be accepted or rejected at the sole discretion of **ITS**.
12. Unsolicited clarifications in the evaluation and selection of lowest and best proposal will be considered only if all the following conditions are met:
  - 12.1 A clarification to a proposal that includes a newly announced product line or service with equal or additional capability to be provided at or less than the proposed price will be considered.
  - 12.2 Information provided must be in effect nationally and have been formally and publicly announced through a news medium that the Vendor normally uses to convey customer information.
  - 12.3 Clarifications must be received early enough in the evaluation process to allow adequate time for re-evaluation.
  - 12.4 The Vendor must follow procedures outlined herein for submitting updates and clarifications.
  - 12.5 The Vendor must submit a statement outlining the circumstances for the clarification.
  - 12.6 The Vendor must submit one clearly marked original and twenty (20) copies of the clarification.
  - 12.7 The Vendor must be specific about which part of the original proposal is being changed by the clarification (i.e., must include exact RFP reference to section and outline point).
13. **Communications with State**

From the issue date of this RFP until a Vendor is selected and the selection is announced, responding Vendors or their representatives may not communicate, either orally or in writing regarding this RFP with any statewide elected official, state officer or employee, member of the legislature or legislative employee except as noted herein. To ensure equal treatment for each responding Vendor, all questions regarding this RFP must be submitted in writing to the State's contact person for the selection process, and not later than the last date for accepting responding Vendor questions provided in this RFP. All such questions will be answered officially by the State in writing. All such questions and



answers will become addenda to this RFP, and they will be posted to the **ITS** web site. Vendors failing to comply with this requirement will be subject to disqualification.

- 13.1      The State's contact person for the selection process is: Rita Rutland, Technology Consultant, 301 North Lamar Street, Ste. 508, Jackson, MS 39201, 601-359-1022, Rita.Rutland@its.ms.gov.
  
- 13.2      Vendor may consult with State representatives as designated by the State's contact person identified in 13.1 above in response to State-initiated inquiries. Vendor may consult with State representatives during scheduled oral presentations and demonstrations excluding site visits.

### **SECTION III VENDOR INFORMATION**

The objective of the Vendor Information section of this RFP is to provide Vendors with information required to respond to the RFP successfully.

1. **Interchangeable Designations**

The terms “Vendor” and “Contractor” are referenced throughout this RFP. Generally, references to the “Vendor” are used in conjunction with the proposing organization and procurement process leading up to the final RFP selection and award. The term “Contractor” denotes the role assumed, post-award, by the winning Vendor. Additionally, the terms “State of Mississippi,” “State” or “ITS” may be used interchangeably throughout this RFP to denote the political entity issuing the RFP and requesting responses from Vendors throughout these specifications. References to a specific agency, institution or other political entity represent the client or customer on whose behalf ITS is issuing the RFP.

2. **Vendor’s Responsibility to Examine RFP**

Vendors must examine all documents, forms, specifications, standard provisions, and instructions.

3. **Proposal as Property of State**

All written proposal material becomes the property of the State of Mississippi.

4. **Written Amendment to RFP**

Any interpretation of an ITS RFP will be made by written amendment only. The State will not be responsible for any other explanation of this RFP. A copy of any amendment will be posted on the ITS website, together with the associated RFP specification. Vendors are required to check the ITS website periodically for RFP amendments before the proposal opening date at: [http://www.its.ms.gov/rfps/rfps\\_awaiting.shtml](http://www.its.ms.gov/rfps/rfps_awaiting.shtml).

Any and all amendments will be posted no later than noon, seven calendar days prior to the proposal opening date listed on the cover page of this RFP. Should you be unable to access the ITS website, you may contact the ITS technology consultant listed on page one of this RFP and request a copy.

5. **Oral Communications Not Binding**

Only transactions which are in writing from ITS may be considered official. No negotiations, decisions, or actions shall be executed by any Vendor as a result of any discussions with any State employee.

6. **Vendor’s Responsibility for Delivery**

Vendors must ensure, through reasonable and sufficient follow-up, proper compliance with, and fulfillment of all schedules and deliverables specified within the body of this RFP. The State will not be responsible for the failure of any delivery medium for

submission of information to or from the Vendor, including but not limited to, public and private carriers, U.S. mail, Internet Service Providers, facsimile, or e-mail.

7. **Evaluation Criteria**

The State's intent in issuing this RFP is to award a contract to the lowest and best responsive Vendor who meets specifications, considering price and other factors. The Vendor's past performance, cooperation, and ability to provide service and training are general factors that will be weighed in the selection process. More specific information concerning evaluation criteria is presented in *Technical Specifications*.

8. **Multiple Awards**

ITS reserves the right to make multiple awards.

9. **Right to Award in Whole or Part**

ITS reserves the right to approve an award by individual items or in total, whichever is deemed to be in the best interest of the State of Mississippi.

10. **Right to Use Proposals in Future Projects**

The State reserves the right to evaluate the awarded proposal from this RFP, including all products and services proposed therein, along with the resulting contractual terms, for possible use in future projects if (a) it is deemed to be in the best interest of the State to do so; and (b) the Vendor is willing to extend a cost less than or equal to that specified in the awarded proposal and resulting contract. A decision concerning the utilization of a Vendor's proposal for future projects is solely at the discretion of the State and requires the agreement of the proposing Vendor. The State's decision to reuse an awarded proposal will be based upon such criteria as: (1) the customer's business requirements; (2) elapsed time since the award of the original project; and/or (3) research on changes in the Vendor, market, and technical environments since the initial award.

11. **Price Changes During Award or Renewal Period**

A price increase will not be accepted during the award period or the renewal period, unless stipulated in the contract. However, the State will always take advantage of price decreases.

12. **Right to Request Information**

The State reserves the right to request information relative to a Vendor's references and financial status and to visit a Vendor's facilities during normal working hours. The State also reserves the right to request a current financial statement, prepared and certified by an independent auditing firm, and reserves the right to require that Vendors document their financial ability to provide the products and services proposed up to the total dollar amount of the Vendor's cost proposal. The State reserves the right to request information about the Vendor from any previous customer of the Vendor of whom the State is aware, even if that customer is not included in the Vendor's list of references.

**13. Vendor Personnel**

For RFPs including professional services specifications, the Vendor will be required to provide and/or certify the following for each individual included in the Vendor's proposal:

- 13.1 A direct telephone number at which the individual may be contacted for a telephone interview. The State will pay toll charges in the continental United States. The Vendor must arrange a toll-free number for all other calls.
- 13.2 That, if onsite interviews are required, the individual can be at the specified location in Mississippi within the timeframe specified. All costs associated with onsite interviews will be the responsibility of the Vendor.
- 13.3 That the individual is proficient in spoken and written English;
- 13.4 That the individual is a U.S. citizen or that the individual meets and will maintain employment eligibility requirements in compliance with all INS regulations. The Vendor must provide evidence of identification and employment eligibility prior to the award of a contract that includes any personnel who are not U. S. citizens.
- 13.5 That the personnel assigned to a project will remain a part of the project throughout the duration of the contract as long as the personnel are employed by the Vendor, unless replaced by the Vendor at the request of the State. This requirement includes the responsibility for ensuring all non-citizens maintain current INS eligibility throughout the duration of the contract.

**14. Vendor Imposed Constraints**

The Vendor must specifically document what limitations, if any, exist in working with any other Contractor acting in the capacity of the State's business partner, subcontractor or agent who may be managing any present or future projects; performing quality assurance; integrating the Vendor's software; and/or providing web-hosting, hardware, networking or other processing services on the State's behalf. The project relationship may be based on roles as either equal peers; supervisory – subordinate; or subordinate – supervisory, as determined by the State. The State recognizes that the Vendor may have trade secrets, intellectual property and/or business relationships that may be subject to its corporate policies or agreements. The State must understand these issues in order to decide to what degree they may impact the State's ability to conduct business for this project. These considerations will be incorporated accordingly into the proposal evaluation and selection process. The understanding reached between the Vendor and the State with regard to this business relationship precludes the Vendor from imposing any subsequent limitations of this type in future project undertakings by the State.

**15. Best and Final Offer**

The State reserves the right to solicit Best and Final Offers (BAFOs) from Vendors, principally in situations in which proposal costs eclipse available funding or the State believes none of the competing proposals presents a Best Value (lowest and best proposal) opportunity. Because of the time and expense incurred by both the Vendor community and the State, BAFOs are not routinely conducted. Vendors should offer their best pricing with the initial solicitation. Situations warranting solicitation of a BAFO will be considered an exceptional practice for any procurement. Vendors that remain in a competitive range within an evaluation may be requested to tender Best and Final Offers, at the sole discretion of the State. All such Vendors will be provided an equal opportunity to respond with a Best and Final Offer under a procedure to be defined by the State that encompasses the specific, refined needs of a project, as part of the BAFO solicitation. The State may re-evaluate and amend the original project specifications should it be deemed necessary in order to improve the opportunity for attaining Best Value scenarios from among the remaining competing Vendors. All BAFO proceedings will be uniformly conducted, in writing and subject to solicitation by the State and receipt from the Vendors under a precise schedule.

**16. Restriction on Advertising**

The Vendor must receive written approval from the State before advertising or referencing the award of the contract or the services being provided. The Vendor must agree not to refer to awards in commercial advertising in such a manner as to state or imply that the firm or its services are endorsed or preferred by the State of Mississippi.

**17. Rights Reserved to Use Existing Product Contracts**

The State reserves the right on turnkey projects to secure certain products from other existing ITS contracts if it is in its best interest to do so. If this option is exercised, then the awarded Vendor must be willing to integrate the acquisition and implementation of such products within the schedule and system under contract.

**18. Additional Information to be Included**

In addition to answering each specification within this RFP, the Vendor must include complete product/service information, including product pictorials and technical/descriptive literature relative to any product/service offered with the proposal. Information submitted must be sufficiently detailed to substantiate that the products/services offered meet or exceed specifications.

**19. Valid Contract Required to Begin Work**

The successful Vendor should not commence any billable work until a valid contract has been executed. Any work done by the successful Vendor prior to the execution of the contract is done at the Vendor's sole risk. The State is under no obligation to pay for work done prior to the execution of a contract.

## SECTION IV LEGAL AND CONTRACTUAL INFORMATION

The objective of the *Legal and Contractual Information* section is to provide Vendors with information required to complete a contract or agreement with **ITS** successfully.

1. **Acknowledgment Precludes Later Exception**

By signing the *Submission Cover Sheet*, the Vendor is contractually obligated to comply with all items in this RFP, including the *Standard Contract* in Attachment A if included herein, except those specifically listed as exceptions on the *Proposal Exception Summary Form*. If no *Proposal Exception Summary Form* is included, the Vendor is indicating that he takes no exceptions. Vendors who respond to this RFP by signing the *Submission Cover Sheet* may not later take exception to any item in the RFP during contract negotiations. This acknowledgement also contractually obligates any and all subcontractors that may be proposed. No exceptions by subcontractors or separate terms and conditions will be entertained after the fact.

2. **Failure to Respond as Prescribed**

Failure to respond as described in Section II: *Proposal Submission Requirements* to any item in the sections and exhibits of this RFP, including the *Standard Contract* attached as Attachment A, if applicable, shall contractually obligate the Vendor to comply with that item.

3. **Contract Documents**

**ITS** will be responsible for all document creation and editorial control over all contractual documentation related to each procurement project. The following documents will normally be included in all contracts between **ITS** and the Vendor:

- 3.1 The Proposal Exception Summary Form as accepted by **ITS**;
- 3.2 Contracts which have been signed by the Vendor and **ITS**;
- 3.3 **ITS'** Request for Proposal, including all addenda;
- 3.4 Official written correspondence from **ITS** to the Vendor;
- 3.5 Official written correspondence from the Vendor to **ITS** when clarifying the Vendor's proposal; and
- 3.6 The Vendor's proposal response to the **ITS** RFP.

4. **Order of Precedence**

When a conflict arises regarding contract intent due to conflicting statements in documents included in the contract, the order of precedence of each document is as listed above unless modification of order is negotiated and agreed upon by both **ITS** and the winning Vendor.

5. **Additional Contract Provisions**

The contract will also include such additional provisions, which are not inconsistent or incompatible with the material terms of this RFP, as may be agreed upon by the parties. All of the foregoing shall be in such form and substance as prescribed by the State.

6. **Contracting Agent by Law**

The Executive Director of **ITS** is, by law, the purchasing and contracting agent for the State of Mississippi in the negotiation and execution of all contracts for the acquisition of computer and telecommunications equipment, systems, software, and services (Section 25-53-1, et seq., of the Mississippi Code Annotated). **ITS** is issuing this RFP on behalf of the procuring agency or institution. **ITS** and the procuring agency or institution are sometimes collectively referred to within this RFP as "State."

7. **Mandatory Legal Provisions**

- 7.1 The State of Mississippi is self-insured; all requirements for the purchase of casualty or liability insurance are deleted.
- 7.2 Any provisions disclaiming implied warranties shall be null and void. See Mississippi Code Annotated Sections 11-7-18 and 75-2-719(4). The Vendor shall not disclaim the implied warranties of merchantability and fitness for a particular purpose.
- 7.3 The Vendor shall have no limitation on liability for claims related to the following items:
  - 7.3.1 Infringement issues;
  - 7.3.2 Bodily injury;
  - 7.3.3 Death;
  - 7.3.4 Physical damage to tangible personal and/or real property; and/or
  - 7.3.5 The intentional and willful misconduct or negligent acts of the Vendor and/or Vendor's employees or subcontractors.
- 7.4 All requirements that the State pay interest (other than in connection with lease-purchase contracts not exceeding five years) are deleted.
- 7.5 Any contract negotiated under this RFP will be governed by and construed according to the laws of the State of Mississippi. Venue for the resolution of any dispute shall be Jackson, Hinds County, Mississippi.

- 7.6 Any contract negotiated under this RFP is cancelable in the event the funding authority does not appropriate funds. Notice requirements to Vendor cannot exceed sixty (60) calendar days.
- 7.7 The State of Mississippi does not waive its sovereign immunities or defenses as provided by law by entering into this contract with the Vendor, Vendor agents, subcontractors, or assignees.
- 7.8 The State will deliver payments to the Vendor within forty-five (45) calendar days after receipt of invoice and receipt, inspection, and approval of Vendor's products/services. No late charges will exceed 1.5% per month on any unpaid balance from the expiration of said period until payment is delivered. See Section 31-7-305 of the Mississippi Code Annotated. Seller understands and agrees that Purchaser is exempt from the payment of taxes.
- 7.9 The State shall not pay any attorney's fees, prejudgment interest or the cost of legal action to or for the Vendor.

**8. Approved Contract**

- 8.1 Award of Contract - A contract is considered to be awarded to a proposer once the proposer's offering has been approved as lowest and best proposal through:
  - 8.1.1 Written notification made to proposers on **ITS** letterhead, or
  - 8.1.2 Notification posted to the **ITS** website for the project, or
  - 8.1.3 CP-1 authorization executed for the project, or
  - 8.1.4 The **ITS** Board's approval of same during an open session of the Board.
- 8.2 **ITS** statute specifies whether **ITS** Director approval or **ITS** Board approval is applicable for a given project, depending on the total lifecycle cost of the contract.
- 8.3 A contract is not deemed final until five (5) working days after either the award of contract or post procurement review, as stipulated in the **ITS** Protest Procedure and Policy. In the event of a valid protest, the State may, at its sole discretion, continue the procurement or stay the procurement in accordance with the **ITS** Protest Procedure and Policy. If the procurement is stayed, the contract is not deemed final until the protest is resolved.

**9. Contract Validity**

All contracts are valid only if signed by the Executive Director of **ITS**.



**10. Order of Contract Execution**

Vendors will be required to sign contracts and to initial all contract changes before the Executive Director of **ITS** signs.

**11. Availability of Funds**

All contracts are subject to availability of funds of the acquiring State entity and are contingent upon receipt by the winning Vendor of a purchase order from the acquiring State entity.

**12. CP-1 Requirement**

All purchase orders issued for goods and services acquired from the awarded Vendor under this RFP must be encoded by the Customer agency with a CP-1 approval number assigned by **ITS**. This requirement does not apply to acquisitions that by policy have been delegated to State entities.

**13. Requirement for Electronic Payment and Invoicing**

13.1 Payments to the awarded Vendor for all goods and services acquired under this RFP by state agencies that make payments through the Statewide Automated Accounting System (“SAAS”) will be made electronically, via deposit to the bank account of the Vendor’s choice. The awarded Vendor must enroll and be activated in PayMode™, the State’s current vehicle for sending and receiving electronic payments, prior to receiving any payments from state agencies. There is no charge for a Vendor to enroll or receive payments via PayMode. For additional information on PayMode, including registration instructions, Vendors should visit the following website: <http://portal.paymode.com/ms/>. Vendors may also request assistance from the Mississippi Management and Reporting System (MMRS) Call Center regarding PayMode registration by contacting [mash@dfa.state.ms.us](mailto:mash@dfa.state.ms.us).

13.2 For state agencies that make payments through SAAS, the awarded Vendor is required to submit electronically all invoices for goods and services acquired under this RFP, along with appropriate supporting documentation, as directed by the State. Should the requirement for electronic invoicing be implemented during the term of the project contract, the State will work with the Vendor to determine a reasonable timeframe for initiating electronic invoicing.

13.3 Items 13.1 and 13.2 only apply to state agencies that make payments through SAAS. Payments and invoices for all other entities will conform to their standard methods of payment to contractors.

**14. Time For Negotiations**

14.1 All contractual issues must be successfully negotiated within fifteen (15) working days from the Vendor’s initial receipt of the project contract from **ITS**, unless **ITS** consents to extend the period. Failure to complete

negotiations within the stated time period constitutes grounds for rejection of the Vendor's response to this RFP. **ITS** may withdraw the proposal award and begin negotiations with the next ranked Vendor immediately or pursue any other option.

- 14.2 Negotiations shall be limited to items to which the Vendor has noted as exceptions on their Proposal Exception Summary Form, as well as any new items that the State may require. All contract changes requested by the Vendor related to such exceptions noted in Vendor's proposal shall be submitted three (3) working days prior to scheduled negotiations, unless **ITS** consents to a different period.

15. **Prime Contractor**

The selected Vendor will be designated the prime contractor in the proposal, and as such, shall be solely responsible for all products/services offered in the proposal and for the fulfillment of the contract with the State.

16. **Sole Point of Contact**

**ITS** will consider the selected Vendor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract.

- 16.1 The Vendor must acknowledge and agree that in matters of proposals, clarifications, negotiations, contracts and resolution of issues and/or disputes, the Vendor represents all contractors, third parties and/or subcontractors the Vendor has assembled for this project. The Vendor's commitments are binding on all such parties and consequently the State is only required to negotiate with the Vendor.

- 16.2 Furthermore, the Vendor acknowledges and agrees to pass all rights and/or services related to all general consulting, services leasing, software licensing, warranties, hardware maintenance and/or software support to the State from any contractor, third party or subcontractor without the State having to negotiate separately or individually with any such parties for these terms or conditions.

- 16.3 Should a proposing Vendor wish to assign payment of any or all charges resulting from this contract to a third party, Vendor must disclose that fact in his/her proposal, along with the third party's name, address, nature of business, and relationship to the proposing Vendor, the reason for and purpose of the assignment, and all conditions of the assignment, including but not limited to a copy of an assignment document to be executed by the State, the Vendor, and the third party. Such assignments will be accepted or rejected at the sole discretion of the State. Vendor must clearly and definitively state in his/her proposal whether the proposal is contingent upon the requested assignment of payments. Whenever any assignment of payment is requested, the proposal, contract, and assignment document must include language

specifically guaranteeing that the proposing Vendor is solely and fully liable and responsible for the performance of its obligations under the subject contract. No assignment of payment will be considered at the time of purchase unless such assignment was fully disclosed in the Vendor's proposal and subsequently accepted by the State.

**17. ITS Approval of Subcontractor Required**

Unless provided in the contract, the Vendor shall not contract with any other party for furnishing any of the contracted work or services without the consent, guidance, and written approval of the State. **ITS** reserves the right of refusal and the right to request replacement of a subcontractor due to unacceptable work or conduct. This provision should not be interpreted as requiring the approval of individual contracts of employment between the Vendor and personnel assigned for services under the contract.

**18. Inclusion of Subcontract Agreements**

Copies of any agreements to be executed between the Vendor and any subcontractors must be included in the Vendor's proposal.

**19. Negotiations with Subcontractor**

In order to protect the State's interest, **ITS** reserves the right to attempt to resolve the contractual disagreements that may arise between the Vendor and its subcontractor after award of the contract.

**20. References to Vendor to Include Subcontractor**

All references in the RFP to "Vendor" shall be construed to encompass both the Vendor and its subcontractors.

**21. Outstanding Vendor Obligations**

21.1 Any Vendor who presently owes the State of Mississippi money pursuant to any contract for which **ITS** is the contracting agent and who has received written notification from **ITS** regarding the monies owed, must submit, with the proposal, a certified check in the amount due and owing in order for the proposal in response to this RFP to be considered. For a Vendor currently in bankruptcy as of the RFP submission date, this requirement is met, if and only if, **ITS** has an active petition before the appropriate bankruptcy court for recovery of the full dollar amount presently owed to the State of Mississippi by that Vendor. If the Vendor has emerged from bankruptcy by the RFP submission date, the Vendor must pay in full any amount due and owing to the State, as directed in the court-approved reorganization plan, prior to any proposal being considered.

21.2 Any Vendor who is presently in default on existing contracts for which **ITS** is the contracting agent, or who otherwise is delinquent in the performance of any such contracted obligations, is in the sole judgment of the State required

to make arrangement for fulfilling outstanding obligations to the satisfaction of the State in order for the proposal to be considered.

- 21.3 The State, at its sole discretion, may reject the proposal of a Vendor with any significant outstanding financial or other obligations to the State or who is in bankruptcy at the time of proposal submission.
22. **Equipment Condition**  
For all RFPs requiring equipment, the Vendor must furnish only new equipment in response to **ITS** specifications, unless an explicit requirement for used equipment is otherwise specified.
23. **Delivery Intervals**  
The Vendor's proposal must specify, in the *Cost Information Submission* and in response to any specific instructions in the *Technical Specifications*, delivery and installation intervals after receipt of order.
24. **Pricing Guarantee**  
The Vendor must explicitly state, in the *Cost Information Submission* and in response to any specific instructions in the *Technical Specifications*, how long the proposal will remain valid. Unless stated to the contrary in the *Technical Specifications*, pricing must be guaranteed for a minimum of ninety (90) calendar days.
25. **Shipping Charges**  
For all RFPs requiring shipment of any product or component, all products must be delivered FOB destination to any location within the geographic boundaries of the State with all transportation charges prepaid and included in the RFP proposal or LOC quotation. Destination is the point of use.
26. **Amortization Schedule**  
For all RFPs requiring equipment, contracts involving the payment of interest must include an amortization schedule clearly documenting the amount of interest payable over the term of the contract.
27. **Americans with Disabilities Act Compliance for Web Development and Portal Related Services**  
All Web and Portal development work must be designed and implemented in compliance with the Electronic and Information Technology Accessibility Standards associated with Section 508 of the Rehabilitation Act and with the Web Accessibility Initiative (WAI) of the W3C.
28. **Ownership of Developed Software**
- 28.1 When specifications require the Vendor to develop software for the State, the Vendor must acknowledge and agree that the State is the sole owner of such developed software with exclusive rights to use, alter, or distribute the

software without restriction. This requirement applies to source code, object code, and documentation.

- 28.2 The State may be willing to grant the Vendor a nonexclusive license to use the State's software subject to devising acceptable terms and license fees. This requirement is a matter of State Law, and not negotiable.

29. **Ownership of Custom Tailored Software**

In installations where the Vendor's intellectual property is modified and custom-tailored to meet the needs of the State, the Vendor must offer the State an application license entitling the State to use, and/or alter the software without restriction. These requirements apply to source code, object code and documentation.

30. **Terms of Software License**

The Vendor acknowledges and agrees that the term of all software licenses provided to the State shall be perpetual unless stated otherwise in the Vendor's proposal.

31. **The State is Licensee of Record**

The Vendor must not bypass the software contracting phase of a project by licensing project software intended for State use in its company name. Upon award of a project, the Vendor must ensure that the State is properly licensed for all software that is proposed for use in a project.

32. **Remote Access via Virtual Private Network**

Vendor must understand that the State of Mississippi's Enterprise Security Policy mandates that all remote access to and/or from the State network must be accomplished via a Virtual Private Network (VPN). If remote access is required at any time during the life of this Agreement, Vendor and the State agree to implement/maintain a VPN for this connectivity. This required VPN must be IPSec-capable (ESP tunnel mode) and will terminate on a Cisco VPN-capable device (i.e. VPN concentrator, PIX firewall, etc.) on the State's premises. Vendor agrees that it must, at its expense, implement/maintain a compatible hardware/software solution to terminate the specified VPN on the State's premises. The parties further understand and agree that the State protocol standard and architecture are based on industry-standard security protocols and manufacturer engaged at the time of contract execution. The State reserves the right to introduce a new protocol and architecture standard and require the Vendor to comply with same, in the event the industry introduces a more secure, robust protocol to replace IPSec/ESP and/or there is a change in the manufacturer engaged.

33. **Negotiating with Next-Ranked Vendor**

Should the State cease doing business with any Vendor selected via this RFP process, for any reason, the State reserves the right to initiate negotiations with the next ranked Vendor.

34. **Disclosure of Proposal Information**

Vendors should be aware that any information in a proposal may be subject to disclosure or reproduction under the Mississippi Public Records Act of 1983, defined in Section 25-61-1 et seq. of the Mississippi Code Annotated. All disclosures of proposal information will be made in compliance with the **ITS** Public Records Procedures established in accordance with the Mississippi Public Records Act. The **ITS** Public Records Procedures are available in Section 019-010 of the **ITS** Procurement Handbook, on the **ITS** Internet site at: <http://dsitspe01.its.ms.gov/its/procman.nsf/TOC4?OpenView> or from **ITS** upon request.

As outlined in the Third Party Information section of the **ITS** Public Records Procedures, **ITS** will give written notice to any affected Vendor of a request to view or reproduce the Vendor's proposal or portion thereof. **ITS** will not, however, give such notice with respect to summary information prepared in connection with the State's review or evaluation of a Vendor's proposal, including, but not limited to, written presentations to the **ITS** Board or other approving bodies, and/or similar written documentation prepared for the project file. In addition, **ITS** will not provide third-party notice for requests for any contract executed as a result of this RFP, with the exception of information contained in contract exhibits identified and labeled as confidential during the contract negotiation process. **ITS** will provide third-party notice of requests for any such confidential exhibits to allow Vendor the opportunity to protect the information by court order as outlined in the **ITS** Public Records Procedures.

Summary information and contract terms, as defined above, become the property of **ITS**, who has the right to reproduce or distribute this information without notification.

Vendors should further be aware that requests for disclosure of proposal and contract information are sometimes received by **ITS** significantly after the proposal opening date. **ITS** will notify the signatory "Officer in Bind of Company" provided in Section I of this RFP for Notification of Public Records Requests in the event information is requested that your company might wish to consider protecting as a trade secret or as confidential commercial or financial information. If the "Officer in Bind of Company" should not be used for notification of public records requests, Vendor should provide the alternative contact information in response to this RFP item.

35. **Risk Factors to be Assessed**

The State will assess risk factors that may initially exist within a given procurement and that may develop over the course of a procurement process as facts become known. The State, at its sole discretion, may employ the following mechanisms in mitigating these risks: proposal bonding, performance bonding, progress payment plan with retainage, inclusion of liquidated damages, and withholding payment for all portions of the products/services acquired until final acceptance. The Vendor must agree to incorporate any or all of the above terms and conditions into the customer agreement.

36. **Proposal Bond**

The Vendor is not required to include a proposal bond with its RFP proposal.

37. **Performance Bond/Irrevocable Bank Letter of Credit**

The Vendor is required to include the price of a performance bond or irrevocable bank letter of credit with his RFP proposal. If required, the cost of the bond or letter of credit must be shown as a separate line item in the *Cost Information Submission*. The performance bond or letter of credit must be procured at the Vendor's expense prior to the execution of the contract and may be invoiced to Mississippi State Tax Commission after contract initiation only if itemized in the *Cost Information Submission* and in the executed contract. **The final decision as to the requirement for a Performance Bond or Irrevocable Bank Letter of Credit will be made upon contract award and is at the State's sole discretion.**

If a Performance Bond /Irrevocable Bank Letter of Credit is required, the Vendor must procure and submit to ITS, on behalf of Mississippi State Tax Commission, with the executed contract, (a) a performance bond from a reliable surety company authorized to do business in the State of Mississippi or (b) an irrevocable bank letter of credit that is acceptable to the State. The Performance Bond or the Irrevocable Letter of Credit shall be for the total amount of the contract or an amount mutually agreed upon by the State and the successful Vendor and shall be payable to Mississippi State Tax Commission, to be held by their contracting agent, the Mississippi Department of Information Technology Services. No contract resulting from this RFP will be valid until the required Performance Bond or Irrevocable Bank Letter of Credit has been received and found to be in proper form and amount. The Vendor agrees that the State has the right to request payment for a partial amount or the full amount of the Irrevocable Letter of Credit/Performance bond should the products/services being procured hereunder not be provided in a manner consistent with this RFP and the Vendor's proposal by the delivery dates agreed upon by the parties. The State may demand payment by contacting the bank issuing the letter of credit or the bonding company issuing the performance bond and making a written request for full or partial payment. The issuing bank/bonding company is required to honor any demand for payment from the State within fifteen (15) working days of notification. The letter of credit/performance bond shall cover the entire contract period, with the exception of post-warranty maintenance and support, and shall not be released until final acceptance of all products and deliverables required herein or until the warranty period, if any, has expired, whichever occurs last. If applicable, and at the State's sole discretion, the State may, at any time during the warranty period, review Vendor's performance and performance of the products/services delivered and determine that the letter of credit/performance bond may be reduced or released prior to expiration of the full warranty period.

38. **Responsibility for Behavior of Vendor Employees/Subcontractors**

The Vendor will be responsible for the behavior of all its employees and subcontractors while on the premises of any State agency or institution. Any Vendor employee or subcontractor acting in a manner determined by the administration of any State agency or institution to be detrimental, abusive, or offensive to any of the staff or student body of

any State agency or institution will be asked to leave the premises and can be suspended from further work on the premises.

39. **Protests**

The Executive Director of **ITS** and/or the Board Members of **ITS** or their designees shall have the authority to resolve Vendor protests in connection with the selection for award of a contract. Copies of the protest procedures are available on the **ITS** Internet site - **ITS** Protest Procedure and Policy, Section 019-020, **ITS** Procurement Handbook at: <http://dsitspe01.its.ms.gov/its/procman.nsf/TOC4?OpenView> or from **ITS** upon request.

40. **Protest Bond**

Potential Vendors may protest any of the specifications of this RFP on the belief that the specification is unlawful, unduly restrictive, or unjustifiably restraining to competition. Any such protest must be in writing and submitted to the **ITS** Executive Director along with the appropriate protest bond within five (5) working days of the Official Release of the RFP, as defined in the **ITS** Protest Procedure and Policy. The outside of the envelope must be marked "Protest" and must specify RFP number 3592.

As a condition precedent to filing any protest related to this procurement, the Vendor must procure, submit to the **ITS** Executive Director with its written protest, and maintain in effect at all times during the course of the protest or appeal thereof, a protest bond in the full amount of the total estimated project lifecycle cost or \$2,500,000.00, whichever is less. The total estimated project lifecycle cost will be the amount used by **ITS** in the computation of cost points, as the low cost in the denominator of the cost evaluation formula. The bond shall be accompanied by a duly authenticated or certified document evidencing that the person executing the bond is a licensed Mississippi agent for the bonding company. This certified document shall identify the name and address of the person or entity holding the protest bond and shall identify a contact person to be notified in the event that the State is required to take action against the bond. The protest bond shall not be released to the protesting Vendor until the protest is finally resolved and the time for appealing said protest has expired. The protest bond shall be procured at the protesting Vendor's expense and be payable to the Mississippi Department of Information Technology Services. Prior to approval of the protest bond, **ITS** reserves the right to review the protest bond and require the protesting Vendor to substitute an acceptable bond in such form as the State may reasonably require. The premiums on such bond shall be paid by the protesting Vendor. The State may claim against the protest bond as specified in Section 25-53-5 (n) of the Mississippi Code of 1972, as amended during the 1998 Mississippi legislative session, in addition to all other rights and remedies the State may have at law or in equity.

Should the written protest submitted by the Vendor fail to comply with the content requirements of **ITS'** protest procedure and policy, fail to be submitted within the prescribed time limits, or fail to have the appropriate protest bond accompany it, the protest will be summarily dismissed by the **ITS** Executive Director.

41. **Mississippi Employment Protection Act**



Effective July 1, 2008, Vendor acknowledges that if awarded, it will ensure its compliance with the Mississippi Employment Protection Act, Section 71-11-1, et seq. of the Mississippi Code Annotated (Supp2008), and will register and participate in the status verification system for all newly hired employees. The term “employee” as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, “status verification system” means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Vendor will agree to maintain records of such compliance and, upon request of the State, to provide a copy of each such verification to the State.

Vendor acknowledges and certifies that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration laws of the State of Mississippi.

Vendor acknowledges that violating the E-Verify Program (or successor thereto) requirements subjects Vendor to the following: (a) cancellation of any state or public contract and ineligibility for any state or public contract for up to three (3) years, with notice of such cancellation being made public, or (b) the loss of any license, permit, certification or other document granted to Vendor by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. Vendor would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.

42. **Taxes**

Vendor acknowledges that if awarded, it will ensure its compliance with all applicable Federal and State Tax laws and will timely pay all taxes which it might owe, including, but not limited to, income, withholding, franchise, use, excise and property tax. Even though sales by the Vendor to the Purchaser will be exempt from Mississippi sales tax, the purchase or use of tangible personal property and services by the Vendor in the performance of the contract may be subject to Mississippi Sales and/or Use Tax. It is the Vendor’s responsibility to contact the appropriate city, county, and state taxing authorities to determine its tax liabilities, if any.

## SECTION V PROPOSAL EXCEPTIONS

Please return the *Proposal Exception Summary Form* at the end of this section with all exceptions to items in any Section of this RFP listed and clearly explained or state “No Exceptions Taken.” If no *Proposal Exception Summary Form* is included, the Vendor is indicating that he takes no exceptions to any item in this RFP document.

1. Unless specifically disallowed on any specification herein, the Vendor may take exception to any point within this RFP, including a specification denoted with “shall” or “must,” as long as the following are true:
  - 1.1 The specification is not a matter of State law;
  - 1.2 The proposal still meets the intent of the RFP;
  - 1.3 A *Proposal Exception Summary Form* is included with Vendor’s proposal; and
  - 1.4 The exception is clearly explained, along with any alternative or substitution the Vendor proposes to address the intent of the specification, on the *Proposal Exception Summary Form*.
2. The Vendor has no liability to provide items to which an exception has been taken. The State has no obligation to accept any exception. During the proposal evaluation and/or contract negotiation process, the Vendor and the State will discuss each exception and take one of the following actions:
  - 2.1 The Vendor will withdraw the exception and meet the specification in the manner prescribed;
  - 2.2 The State will determine that the exception neither poses significant risk to the project nor undermines the intent of the RFP and will accept the exception;
  - 2.3 The State and the Vendor will agree on compromise language dealing with the exception and will insert same into the contract; or
  - 2.4 None of the above actions is possible, and **ITS** either disqualifies the Vendor’s proposal or withdraws the award and proceeds to the next ranked Vendor.
3. Should the State and the Vendor reach a successful agreement, **ITS** will sign adjacent to each exception which is being accepted or submit a formal written response to the *Proposal Exception Summary* responding to each of the Vendor’s exceptions. The *Proposal Exception Summary*, with those exceptions approved by the State, will become a part of any contract on acquisitions made under this RFP.

4. An exception will be accepted or rejected at the sole discretion of the State.
5. The State desires to award this RFP to a Vendor or Vendors with whom there is a high probability of establishing a mutually agreeable contract, substantially within the standard terms and conditions of the State's RFP, including the *Standard Contract* in Attachment A, if included herein. As such, Vendors whose proposals, in the sole opinion of the State, reflect a substantial number of material exceptions to this RFP, may place themselves at a comparative disadvantage in the evaluation process or risk disqualification of their proposals.
6. For Vendors who have successfully negotiated a contract with **ITS** in the past, **ITS** requests that, prior to taking any exceptions to this RFP, the individual(s) preparing this proposal first confer with other individuals who have previously submitted proposals to **ITS** or participated in contract negotiations with **ITS** on behalf of their company, to ensure the Vendor is consistent in the items to which it takes exception.

### PROPOSAL EXCEPTION SUMMARY FORM

**List and clearly explain any exceptions, for all RFP Sections and Exhibits, in the table below.**

<b>ITS RFP Reference</b>	<b>Vendor Proposal Reference</b>	<b>Brief Explanation of Exception</b>	<b>ITS Acceptance (sign here only if accepted)</b>
(Reference specific outline point to which exception is taken)	(Page, section, items in Vendor's proposal where exception is explained)	(Short description of exception being made)	
1.			
2.			
3.			
4.			
5.			
6.			
7.			

## SECTION VI RFP QUESTIONNAIRE

Please answer each question or provide the information as requested in this section.

1. **Statewide Automated Accounting System (SAAS) Information for State of Mississippi Vendor File**

- 1.1 **SAAS Vendor Code:** Any Vendor who has not previously done business with the State and has not been assigned a SAAS Vendor code should furnish a signed copy of an IRS W-9 form with the proposal. A copy of the W-9 Form can be obtained by going to the ITS website, <http://www.its.ms.gov>, clicking on the "Procurement" button to the left of the screen, selecting "Vendor Information", scrolling to the bottom of the page, and clicking on the link "Forms Required in RFP Responses." Vendors who have previously done business with the State should furnish ITS with their SAAS Vendor code.

SAAS Vendor Code: \_\_\_\_\_ OR Signed W-9 Form Attached: \_\_\_\_\_

- 1.2 **Vendor Self-Certification Form:** The State of Mississippi, in an effort to capture participation by minority Vendors, asks that each Vendor review the State of Mississippi Minority Vendor Self Certification Form. This information is for tracking/reporting purposes only, and will not be used in determining which Vendor will be chosen for the project. Any Vendor who can claim status as a Minority Business Enterprise or a Woman Business Enterprise in accordance with the definitions on this form and who has not previously submitted a form to the State of Mississippi should submit the completed form with the proposal. A copy of the Minority Vendor Self-Certification Form can be obtained at: [http://www.mississippi.org/assets/docs/minority/minority\\_vendor\\_selfcertform.pdf](http://www.mississippi.org/assets/docs/minority/minority_vendor_selfcertform.pdf). Please direct any questions about minority certification in Mississippi to the Minority Business Enterprise Division of the Mississippi Development Authority by telephone at (601) 359-3448 or via email at [minority@mississippi.org](mailto:minority@mississippi.org).

Minority Vendor Self-Certification Form Included: \_\_\_\_\_  
Minority Vendor Self-Certification Form Previously Submitted: \_\_\_\_\_  
Not claiming Minority or Women Business Enterprise Status: \_\_\_\_\_

2. **Certification of Authority to Sell**

The Vendor must certify Vendor is a seller in good standing, authorized to sell and able to deliver all items and related services proposed in the State of Mississippi in the time frame specified. Does the Vendor make these certifications? (A yes or no answer is required.)



Remit Address (if different):

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7. **Web Amendments**

As stated in Section III, **ITS** will use the **ITS** website to post amendments regarding RFPs before the proposal opening at [http://www.its.ms.gov/rfps/rfps\\_awaiting.shtml](http://www.its.ms.gov/rfps/rfps_awaiting.shtml). We will post clarifications until noon seven calendar days prior to the proposal opening date listed on the cover page of this RFP or the posted extension date, if applicable.

Vendors may list any questions or items needing clarification discovered in the week prior to the proposal opening in a written format at the beginning of the proposal binder or in the comment section for the individual offering.

Does the Vendor certify that they have reviewed a copy of the **ITS** amendments for RFPs as above stated? (A yes or no answer is required.)

## **SECTION VII TECHNICAL SPECIFICATIONS**

### **1. How to Respond to this Section**

1.1 Beginning with Item 2 of this section, label and respond to each outline point and each item in the functional requirements matrix as it is described in the RFP.

1.2 In response to the requirements contained within Section VII, the Vendor must respond with “ACKNOWLEDGED”, “WILL COMPLY”, “INCLUDED”, “CONFIGURABLE”, “EXCEEDS”, “CUSTOMIZATION”, “MAJOR CUSTOMIZATION”, or “ALTERNATE SOLUTION PROPOSED”. In addition, many items in this RFP require detailed and specific responses to provide the requested information. Failure to provide the information requested will result in the Vendor receiving a lower score for that item, or, at the State’s sole discretion, being subject to disqualification.

- “A” (ACKNOWLEDGED) should be used when no Vendor response or Vendor compliance is required. “A” (ACKNOWLEDGED) simply means the Vendor is confirming to the State that he read the statement. This is commonly used in the RFP sections where the agency’s current operating environment is described or where general information is being given about the project.
- “W” (WILL COMPLY) should be used to indicate that the Vendor will adhere to the requirement. This term is used to respond to statements that specify that a Vendor or Vendor’s proposed solution must comply with a specific item or must perform a certain task. This response is commonly used to denote Vendor compliance on or after the award and for requirements that are not necessarily specific to software functionality.
- “I” (INCLUDED) should be used to indicate that the specific requirement is included in the Vendor’s base version of the software package. “I” (INCLUDED) means no customization or configuration is necessary for the requirement to be met.
- “E” (EXCEEDS) should be used to indicate the Vendor’s base version of the software exceeds the specific requirement. When using “E” (EXCEEDS), the Vendor should provide an explicit explanation as to the manner and degree to which the software exceeds the requirement.
- “F” (CONFIGURABLE) should be used to indicate that the specific requirement can be met by configuring the Vendor’s base version of the software package.



- “T” (CUSTOMIZATION) should be used to indicate that the specific requirement can only be met by making a customized programming change to the Vendor's base version of the software package. “T” (CUSTOMIZATION) means < 40 man-hours of work is required to meet the requirement.
- “TM” (MAJOR CUSTOMIZATION) should be used to indicate that the system would require a major programming effort to meet the specific requirement. “TM” (MAJOR CUSTOMIZATION) means  $\geq 40$  man-hours of work is required to meet the requirement.
- “P” (ALTERNATE SOLUTION PROPOSED) should be used to indicate that the system does not meet requirement as stated; however, it can be met with a work around solution or by utilizing a 3<sup>rd</sup> party software product/tool.

1.3 If the Vendor cannot respond with one of the bulleted responses listed above, then the Vendor must respond with “X” (EXCEPTION). Vendor should explain why the exception is being taken. Vendor may not take exception to requirements that are labeled as mandatory. (See Section V and Section VII, Item 2, for additional instructions regarding Vendor exceptions.)

1.4 For the Functional Requirements Matrix (ATTACHMENT B) and the optional ABC Requirements Matrix (ATTACHMENT C), Vendor must respond as directed below.

1.4.1 Valid vendor responses for MANDATORY requirements (those with a weighted value of 3) are:

- “E” (exceeds specifications),
- “T” (included in base version of software package),
- “F” (base system is configurable),
- “TM” (major customization – requires  $\geq 40$  hours of coding),
- “T” (minor customization – requires < 40 hours of coding), or
- “P” (alternative solution proposed - workaround or 3<sup>rd</sup> party software)

1.4.2 For requirements that are not mandatory (those designated with a weighted value of 1 or 2 within the matrix), Vendor may respond with any of the above responses or with an “X” (Exception). If an exception is taken, Vendor should provide an explanation as to why the exception is being taken.

1.4.3 Vendor is expected to provide as much detail in the Vendor Comments column of the appropriate matrix as necessary for the State to gain a solid understanding of how the Vendor proposes to meet the requirement.

1.5 Where a requirement/specification (either within Section VII of the RFP or within the matrices) asks a question or requests information, the Vendor must respond with the specific answer or information requested.

1.6 Vendor should refer to the Glossary of Terms provided as ATTACHMENT G or the ABC Glossary provided as ATTACHMENT H when the meaning of a specific term used within the context of this RFP is in question.

## 2. **Mandatory Requirements**

2.1 Certain items in the technical specifications of this RFP are MANDATORY. Vendors are specifically disallowed from taking exception to these mandatory requirements, and proposals that do not meet all mandatory requirements are subject to immediate disqualification, at the sole discretion of the State.

2.2 The State has designated the following requirements as mandatory: 5.17, 6.8, 8.7, 12.2, and 19.18. Within the body of the RFP (Section VII), each of these mandatory requirements will be prefaced with –MANDATORY–. Vendor should respond to each requirement explaining how their proposal meets the specific requirement. Each sub-item under a requirement designated as MANDATORY is also considered MANDATORY, e.g. requirements 5.17.1 - 5.17.7 are all MANDATORY.

2.3 Additional mandatory requirements are those functional features with weighted value of (3) in Attachment B: *Functional Requirements Matrix*. See Section VII, Item 20 for functional requirements detailed information.

## 3. **General Overview and Background**

The Mississippi State Tax Commission (MSTC) is the Mississippi state agency charged with administering Mississippi's tax laws. On July 1, 2010, the name of the MSTC will be changed to the Mississippi Department of Revenue. See Senate Bill No. 2712, 2009 Regular Session of the Mississippi Legislature and 2009 Miss. Laws Chapter 492 <http://billstatus.ls.state.ms.us/documents/2009/pdf/SB/2700-2799/SB2712SG.pdf>. The MSTC collects, maintains, and disburses all taxes due to the State of Mississippi. The MSTC's current systems, designed and initially implemented as early as 1970, are neither efficient nor effective due to the functions, taxes and numerous changes to tax laws that have been added since the initial implementation of these various systems. The multiple stand-alone systems were designed to support the reporting and collection of taxes and do not have sufficient features needed to manage current complex tax laws.

The MSTC's two previous attempts to develop an integrated Tax Management System, resulted in single systems for Withholding Tax and Individual Income Tax leaving the rest of the various tax systems not fully integrated. Limitations of current file structures, interfaces to external systems, new technology, the age of the current systems and dynamic requirements make the current tax systems difficult to manage and to maintain. Producing reports and projections from these disparate systems, discovering additional revenue and identifying non-filers is difficult, time consuming and often impossible.

The age, out-dated design and architecture of the current multiple systems necessitate a complete overhaul of the structure and environment and require an investment in a modern tax management system with all tax types integrated into a comprehensive system for effective tax administration.

The MSTC is seeking the acquisition of a Commercial Off-The-Shelf (COTS) integrated Tax Management System, Taxpayer Internet Service Center, Data Warehouse and all associated hardware, installation, configuration/integration, customization, implementation, documentation, training and support services necessary to successfully support the core business processes and functions of the MSTC.

In addition, MSTC desires Vendors to propose an ABC Warehouse module as an optional component of this project. Additional consideration may be given, at the State's sole discretion, to Vendors that propose an ABC Warehouse module.

#### 4. **Procurement Project Schedule**

<b>Task</b>	<b>Date</b>
First Advertisement Date for RFP	May 4, 2010
Second Advertisement Date for RFP	May 11, 2010
Deadline for Vendor's Written Questions	May 24, 2010 at 3:00 p.m. Central Time
Deadline for Questions Answered and Posted to ITS Web Site	June 2, 2010
Open Proposals	July 16, 2010
Evaluation of Proposals	July 19 - August 13, 2010
Contract Negotiation	August 13 – September 10, 2010
ITS Board Presentation	September 30, 2010
Proposed Project Implementation Start-up	October 11, 2010

## **5. Technical Requirements**

- 5.1 MSTC requires a COTS approach to this procurement, placing strong emphasis on acquiring a field-proven, mature product with a good client base from an experienced Vendor.
- 5.2 The proposed solution should be as close to the COTS package as possible with little or no customization required to meet the requirements of this RFP. The State understands and anticipates that they will be required to modify some of their existing business practices (business process re-engineering) for this to be accomplished.
- 5.3 Although the Vendor should be prepared to configure and customize the proposed system to meet the requirements detailed in this RFP, MSTC is not anticipating a major customization effort. The solution will be selected based on overall closeness of fit with MSTC operations, requiring the least amount of system customization.
- 5.4 While a mature, field-proven product is being sought, MSTC requires a system that is not at the end of its product life cycle and that reflects the best practices of the industry. Additionally, the technology platform (e.g., database engine, operating platform, etc.) for the proposed product must not be at the end of its lifecycle.
- 5.5 The Vendor must provide all software components and implementation services (e.g., data conversion, customization, installation, integration, training, support and other services) with sufficient knowledge transfer to State personnel as necessary for a successful implementation of the proposed solution.
- 5.6 The Vendor is requested to provide details on what features, functions, or other considerations exclusive of the specific requirements either his company or the proposed solution afford the State that may provide a distinct value to MSTC. In the event that the State agrees such features, functions, and other considerations do provide a distinct benefit, the State reserves the right to give the Vendor additional consideration.
- 5.7 The Vendor must understand and provide information in his response to support a deliverables-based project. The proposed preliminary Project Work Plan detailed in Section VII, Item 9 should identify milestones and deliverables, both paid and unpaid, for the entirety of the project.
- 5.8 The State is seeking a solution that is intuitive in nature (user friendly) and that utilizes the best technical practices of the Information Technology industry.

- 5.9 While every attempt has been made to define all the requirements necessary for the successful implementation of a Tax Management System, Taxpayer Internet Service System and Data Warehouse, the State acknowledges that the specifications for the system requested by this RFP may not be exhaustive. Rather, these specifications reflect the known requirements necessary for MSTC to have a fully functional, efficient system. The State expects the Vendor to identify and describe in detail any areas that may have been overlooked or misstated.
- 5.10 If any component(s) necessary for operation of the requested system is omitted from Vendor's proposal, Vendor must be willing to provide the component(s) at no additional cost.
- 5.11 MSTC intends to be fully involved in all aspects of the project and will assign a project manager and appropriate QA/oversight personnel. MSTC functional analysts will be fully involved as members of the project team and knowledge transfer will be a key element/requirement of this proposal.
- 5.12 The Vendor is expected to make all project records accessible during the duration of the project and for up to three years after the project completion date.
- 5.13 All findings, designs, documentation, and other deliverables produced under this contract become the exclusive property of the State for use without restriction.
- 5.14 The Vendor shall provide an onsite full-time project manager, with requisite experience, skills and decision making authority, to perform work associated with this project at MSTC facilities currently located in Raymond, Mississippi, unless approved by MSTC.
- 5.15 For work being performed onsite, the State will provide limited office workspace and communications necessary for implementation in the State Data Center. MSTC shall provide appropriate equipment for the staff assigned. If the Vendor chooses to utilize their own equipment, such equipment must adhere to MSTC network standards. Onsite project work may be performed within business hours of 7:00 a.m. until 6:00 p.m. Central Time. Meetings with the State shall be limited to the core business hours of 8:00 a.m. to 5:00 pm Central Time unless an exception is granted. Vendor staff must be available to work outside of regular business hours as needed.
- 5.16 MSTC requires the Vendor to have staff onsite during various stages of the project including, but not limited to, implementation, training, technical knowledge transfer, user acceptance testing, and system go-live. The Vendor must fully discuss the approach and percentage of commitment of staff and time onsite versus offsite for the duration of this project.

- 5.17 –MANDATORY -- The proposed solution must meet the following minimum qualifications to be considered a valid response. Vendor should address each point below in his proposal response.
- 5.17.1 Must be a Commercial Off-The-Shelf (COTS) integrated Tax Management System, Internet Taxpayer Service Center and Data Warehouse, generally available; not a custom built product; not in beta or test; and currently in production in North America (U.S. or Canada). Proposals which propose new software development solutions will be considered non-responsive.
  - 5.17.2 Must be integrated across all business processes and tax types.
  - 5.17.3 Vendor must list a minimum of five (5) government tax authorities that have the proposed product (including configuration/version) in use in a production environment as proposed. All proposed modules of the application(s) must be in current mainstream production and immediately available.
  - 5.17.4 Vendor references in Section VIII must include implementations containing integrated Sales Tax, Use Tax, Individual Income Tax, Corporate Tax and Withholding Tax at a minimum.
    - 5.17.4.1 Additional consideration may be given to Vendors who propose reference implementations of systems with more of the Core taxes identified in the table below.
    - 5.17.4.2 Additional consideration may be given to Vendors with references who are major government tax authorities.
    - 5.17.4.3 Additional consideration may be given to Vendors whose references identify 5 (five) state revenue agency implementations of an integrated tax system solution that includes the functionality listed Section VII, Item 20 in this RFP.
  - 5.17.5 Must be built with non-proprietary software and hardware tools found commonly throughout the IT industry.
  - 5.17.6 Must be easily and fully configurable to fit MSTC business processes without requiring major modifications to the underlying programming code (the “source” code).
  - 5.17.7 Must be generically and universally upgraded as a result of natural product evolution, not as result of unique, case-by-case programming changes. The agency expects that it will continually

benefit from generic product upgrades that are fully supported by any manufacturer whose software is utilized in this system.

5.17.8 The proposed solution must be supported by a relational database.

5.17.9 The Integrated Tax System, including all taxes listed in the table in Item 5.18, must be fully implemented within 5 years or less from date of contract award.

5.18 The State anticipates a phased implementation by tax type. The following table identifies the taxes the MSTC anticipates will be implemented in the Integrated Tax System.

Core Taxes	Secondary Taxes	Tertiary Taxes
Beer Excise Tax	Automotive Gasoline Tax	911 Emergency Fee
Beer Permit Fee	International Fuel Tax Agreement	Casual Auto Sales Tax
City Utility Tax	International Registration Plan	Compressed Gas Tax
Contractor's Tax	Locomotive Fuel Tax	Compressed Gas Decals
Corporate Income Tax	Lubricating Oil Tax	Environmental Protection Fee
Fiduciary (Estate & Trust) Income Tax	Natural Gas User's Tax	Estate
Finance Company Privilege Tax	Seawall Tax	Hazardous/Non-Hazardous Waste Fee
Corporate Franchise Tax	Special Fuel Tax	Motor Cycle/ATV Trauma Care Fee
Gaming Tax		Municipal Gas Utility Tax
Gas Severance Tax		Public Utilities Regulatory Tax
Individual Income Tax		Railroad Regulatory Tax
Insurance Premium Tax		

Motor Vehicle Rental Tax		
Occupancy Tax		
Oil Severance Tax		
Partnership Returns		
Sales Tax		
Special City & County Taxes		
Timber Severance Tax		
Tire Disposal Fee		
Tobacco Excise Tax		
Tobacco Permit Fee		
Use Tax		
Withholding Tax		

5.19 Vendors must propose an integrated tax system which provides each of the taxes listed in the table above.

5.20 MSTC has grouped the taxes according to their priority.

5.20.1 Taxes listed in the Core column of the table are considered Mandatory and must be included as a priority in the proposed Project Work Plan which addresses the phased implementation and schedule, Section VII, Item 9.

5.20.2 Taxes identified in the Secondary column will be included in the Revenue Accounting function only. These taxes are processed through other applications and will interface with the integrated Tax System to transfer revenue information. These taxes should be included in the Proposed Project Work Plan.

5.20.3 Taxes identified as Tertiary are also required to be implemented and must be addressed in the Project Work Plan, but for various reasons, are less critical than the core and secondary taxes.



- 5.21 The State expects the winning Vendor to implement every tax identified by the State.
- 5.22 Vendors choosing to propose systems that include an ABC Warehouse module must respond to the ABC requirements matrix attached as Attachment C. The State has provided an ABC Glossary of Terms attached to this RFP as Attachment H. Costs associated with the purchase and implementation of this optional component should be depicted as separate line items in Section VIII, *Cost Information Submission*.
- 5.23 Vendors may request additional information or clarifications to this RFP using the following procedure:
- 5.23.1 Vendors must clearly identify the specified paragraph(s)/item(s) in the RFP that is in question.
- 5.23.2 Vendor must deliver a written document to Rita Rutland at **ITS** by May 24, 2010, at 3:00 p.m. Central Time. This document may be delivered by hand, mail, email, or fax. Address information is given on page one of this RFP. The fax number is (601) 354-6016. **ITS WILL NOT BE RESPONSIBLE FOR DELAYS IN THE DELIVERY OF QUESTION DOCUMENTS.** It is solely the responsibility of the vendor that the clarification document reaches **ITS** on time. Vendors may contact Rita Rutland to verify the receipt of their document. Documents received after the deadline will be rejected.
- 5.23.3 All Vendor questions will be compiled into one document and answered. A written response containing all questions submitted and corresponding answers will be distributed to each vendor and posted on the **ITS** web site by close-of-business on June 2, 2010.

## **6. Vendor Qualifications and Requirements**

- 6.1 The Vendor must provide a description of his organization with sufficient information to substantiate proven experience in the products and services being proposed. Information to be specified includes but is not limited to:
- 6.1.1 Disclosure of any company restructurings, mergers, and acquisitions over the past 3 years that have impacted any products the Vendor has included in this proposal;
- 6.1.2 The location of its principal office and the number of executive and professional personnel employed at this office;
- 6.1.3 The number of years the Vendor has been in business;

- 6.1.4 The number of clients for whom the Vendor is currently providing the integrated tax system solution & software support services;
- 6.1.5 The organization's size (e.g., employees, offices, locations) and structure (e.g., state, national, or international organization); and
- 6.1.6 Whether the Vendor is based locally, regionally, nationally, or internationally as well as its relationship to any parent firms, sister firms, or subsidiaries.
- 6.2 A copy of the corporation, business or Vendor's most recent annual report, including consolidated balance sheets and related statements of income, stockholders' or partners' equity and changes in financial position, for each of the three fiscal years preceding the end of the most recent fiscal year or the business equivalent to the above. The financial information listed above should be compiled, reviewed, and audited by a Certified Public Accountant.
- 6.3 The State deems performance of the Vendor on existing contracts and support after the sale to be of critical importance. Therefore, in the evaluation process for contract award of this RFP, Vendors with good performance ratings on existing accounts will be at a decided advantage, while Vendors with poor performance ratings will be at a decided disadvantage or be subject to disqualification at the discretion of the State.
- 6.4 The Vendor proposal must contain an organizational chart identifying personnel proposed for the project and the chain of command inside the Vendor's organization for that designated staff.
- 6.5 The Vendor proposal must describe the issue resolution and escalation process that will be used within the Vendor's organization to resolve any problems or issues that may arise during the course of the project.
- 6.6 It will be the awarded Vendor's responsibility, in coordination with the State Project Manager, to perform analysis, design, customization and/or development, integration and implementation with MSTC approval points (milestones and deliverables) throughout the life of the project.
- 6.7 The Vendor must fully discuss the approach planned for this project including outlining all issues identified as pertinent to this undertaking as well as defining a methodology for producing the desired results. For each issue identified, the Vendor must detail key elements of the problem task(s) and the manner in which a resolution will be approached.
- 6.8 –MANDATORY– Vendor must provide an onsite project manager to facilitate the project and manage the Vendor project team through all aspects of the analysis, design, development, and testing of the customization(s) for

the implementation of the proposed solution. Project management activities will include, but will not be limited to:

6.8.1 Establishing and administering controls to ensure the quality of deliverables are acceptable to MSTC;

6.8.2 Developing and maintaining a detailed work plan and schedule in conjunction with MSTC;

6.8.3 Monitoring project activities to ensure project schedules are met; and

6.8.4 Providing weekly and/or monthly status reports including the following:

6.8.4.1 Recap of the previous period's work;

6.8.4.2 Preview next period's tasks;

6.8.4.3 Status of major activities/milestones;

6.8.4.4 Any potential delays in reaching target dates and supporting information about the delays;

6.8.4.5 Any proposed revisions to the overall work schedule;

6.8.5 Presenting weekly reports orally when requested and written monthly reports; and

6.8.6 Facilitating and escalating any problems or issues that arise during the project.

6.9 The Vendor Project Manager will work with the State Project Manager, during project initiation, to set standards for all aspects of the project (e.g., time of the regularly scheduled project meetings, project communication, information to be included, and the format of the written status reports, etc.).

6.10 The Vendor must propose appropriate quantity and quality of staff to ensure successful completion of this project (including, but not limited to: project management, data conversion, implementation, data base administration, and training). Vendor must include a matrix which clearly identifies the project team members, their proposed roles, whether the role is considered Key and the percentage of time the individual will be designated to this project for the duration of this project.

6.11 The Vendor must provide resumes and references for each individual to be assigned to the project. The proposed individuals should possess the necessary

skills and certifications for their proposed role. All individuals proposed for this project must have a minimum of one year of experience in the role proposed. Additional consideration may be given to the Vendors whose proposed staff exceeds the minimum requirements. The resume for the Project Manager should be clearly identified and must contain at least five years of tax experience, either as a contractor for or an employee of state government tax authorities.

- 6.12 Twenty percent of the contractor personnel proposed for onsite work must have a minimum of 2 years tax experience with major government tax authorities, either as a contractor for or an employee of the tax authorities. IN addition to providing resumes and references for the project team, Vendor should complete the following table:

	<b>Project Team Member Name</b>	<b>Employer</b>	<b>Start Date</b>	<b>End Date</b>	<b>Total Months Experience</b>
1					
2					

- 6.13 Resumes must reflect qualifications and recent experience relevant to the scope of the work indicated in this RFP. Resumes must include at least three references that can be directly contacted without further vendor intervention to verify the individual's qualifications and experience. Resumes should list the following information for each project reference provided by individual:

- 6.13.1 Company name;
- 6.13.2 Immediate supervisor's name;
- 6.13.3 Immediate supervisor's title;
- 6.13.4 Supervisor's phone number;
- 6.13.5 Supervisor's fax number;
- 6.13.6 Supervisor's e-mail address;
- 6.13.7 Duration of project; and
- 6.13.8 Individual's role in the project.

- 6.14 Individuals proposed for Key roles must be available to work on the project once an award is made and a contract is signed.

- 6.15 All Vendor Key staff members proposed must be approved by MSTC prior to the start of the project. Any replacement or substitution of staff as proposed requires written approval from MSTC prior to replacement or substitution. MSTC reserves the right to approve all individuals assigned to this project.
- 6.16 Vendor should be aware that MSTC will perform a background check on all personnel assigned to this project.
- 6.17 Vendor must acknowledge and agree that all Vendor personnel as well as subcontractor personnel, if applicable, assigned to this project will handle tax and other confidential information viewed or otherwise obtained from the MSTC and/or as a result of working on this project in the following manner:
- 6.17.1 Information from a Federal Tax Return and/or received by the MSTC from the Internal Revenue Service (Federal Tax Information) shall not be disclosed except when necessary in the course of this project and then only to MSTC employees, **ITS** employees, Vendor personnel or subcontractor personnel who are also subject to this prohibition from disclosing such information outside of the MSTC and this project.
- 6.17.2 Information from a State Tax Return, Report or Application and/or specific information concerning a taxpayer, including, but not limited to tax payments, maintained in the files or databases of the MSTC (State Tax Information) shall not be disclosed except when necessary in the course of this project and then only to MSTC employees, **ITS** employees, Vendor personnel or subcontractor personnel who are also subject to this prohibition from disclosing such information outside of the MSTC and this project.
- 6.17.3 Vendor shall take all steps necessary to protect any Federal Tax Information and State Tax Information in its possession, in the possession of its personnel or in the possession of the personnel of its subcontractors on the project from intentional or unintentional disclosure, including, but not limited to, maintaining such information in a secured location, prohibiting such information from being unattended and/or left in public view and by securing any database containing such information in a manner approved by the MSTC.
- 6.17.4 In regard to any confidential information other than Federal Tax Information and State Tax Information, the Vendor shall exercise due care with respect to the use, preservation, and safekeeping of such information that in the course of the project work they observe or otherwise come in contact with and will exercise due care to prevent disclosure to unauthorized third parties and to prevent unauthorized use of such confidential information, as is the customary and accepted practice within the industry.

6.17.5 All Vendor personnel and subcontractor personnel assigned to the project will be required to sign a confidentiality agreement that sets out the above requirements for the handling of tax and other confidential information and that advises such personnel that disclosure of Federal Tax Information and State Tax Information would result in removal from the project, if not termination of employment, and could result in criminal prosecution.

- 6.18 Awarded Vendor must facilitate discussions with the project team, utilizing industry best practices, to determine the best course of action for incorporating the changes necessary to implement the proposed solution. Vendor must document the agreed upon course of action.
- 6.19 During the early phases of project initiation, Vendor must prepare a customization design document(s) to be validated by the MSTC prior to beginning the actual customization.
- 6.20 Vendor must acknowledge and agree that the State project team will participate in and provide input on decisions regarding which data fields are required and which are not for each tax type. This input includes participation in the definition of the values and/or data with which the drop-down lists will be populated for each tax type.
- 6.21 Vendor must acknowledge and agree that the State project team must be allowed to participate in and provide input on decisions regarding the creation of and/or changes to windows/screens of the proposed solution for each tax type.

## **7. Infrastructure/Hosting Requirements**

- 7.1 MSTC expects Vendors to leverage the technical platform and software tools within the current State Data Center environment to the fullest extent possible to provide the best possible value for the State. The Vendor must list all available platforms on which the proposed solution can successfully function.
- 7.2 To obtain information on the technical environment available at the State Data Center and the Statewide network infrastructure, Vendors may review The State of Mississippi Technology Infrastructure and Architecture Plan at the following URL:  
  
[http://www.its.ms.gov/docs/infrastructure\\_architecture\\_plan.pdf](http://www.its.ms.gov/docs/infrastructure_architecture_plan.pdf)
- 7.3 Vendor must describe how the implementation of the proposed software solution will leverage the State's existing Data Center Infrastructure. This discussion should include system architecture alternatives, proposed platforms and recommendations.

- 7.3.1 The Vendor must propose all cost associated with this solution in Section VIII, *Cost Information Submission*.
- 7.4 The Vendor is responsible for reviewing and adhering to the State of Mississippi's Enterprise Security Policy to ensure that their proposal complies with these policies. This policy can be accessed at the following URL: [http://www.ms.gov/pdf/security\\_policy.pdf](http://www.ms.gov/pdf/security_policy.pdf).
- 7.5 The Vendor's proposed solution for hosting the system in the State Data Center must address the following:
- 7.5.1 Vendor must assess the hardware, software and tools currently being utilized in the State Data Center and formulate within the proposal, a full list of any additional hardware, system software (DBMS, Report Writer, Utilities, etc.), methodologies and tools required as a prerequisite for the State to host the application and to successfully complete this project, including appropriate licensing.
- 7.5.2 The Vendor proposal must provide detailed hardware description, specifications, and capacities required for the successful implementation of the proposed solution with full functioning (1) development, (2) quality assurance (QA), (3) production, and (4) training environments (including disk storage configuration, memory requirements, networked interface, tape backup, and any other system components required). Vendor must specify hardware configurations that are not brand specific and must include detailed cost for all hardware identified.
- 7.5.3 The Vendor proposal must include preliminary recommendations regarding any additional hardware or upgrades to existing hardware/software required to implement the proposed solution at the State's Data Center. Vendor must provide detailed justification of these recommendations including hardware specifications and required capacities.
- 7.5.4 Proposed hardware must be able to support the proposed solution and anticipated growth for 3 to 5 years post-implementation. Proposal recommendations must utilize and include a description of the Vendor's standard growth estimate model.
- 7.6 The State may opt to purchase the proposed solution and the required hardware via a turnkey agreement. The decision to purchase hardware from the proposing Vendor is at the sole discretion of the State. The State reserves the right to purchase certain products from existing **ITS** contracts if it is in the best interest of the State to do so. Regardless of which purchase method is exercised, the awarded Vendor must be willing to integrate the acquisition and implementation of such products within the project schedule and system under

contract and must work with the State's selected supplier(s) to ensure a successful implementation of the proposed solution.

- 7.7 During the initial project phases, the Vendor will be required to prepare a deliverable with a detailed recommendation for hardware and software.

**8. Product Information – Items 8.1 - 8.18 are specific to the Vendor proposal**

- 8.1 Vendor must describe the proposed software solution including the name of the product line, individual module names, and version of the proposed software. Vendor must illustrate the history of the proposed software from its initial development and implementation through whatever evolution has occurred. Please list the names that the product carried together with its licensors over time.
- 8.2 Vendor must specify whether the product was developed in-house or was acquired by merger or acquisition with another company.
- 8.3 Vendor must specify which components of the proposed product were not developed in-house and the name of the company responsible for developing those modules, if applicable.
- 8.4 Vendor must specify the number of employees that were on the initial development team and how many are still employed by the Vendor and whether they are still dedicated to the product support/enhancement.
- 8.5 Vendor must specify the number of full time employees dedicated to the proposed product as well as how many individuals fill each role with the proposed product (e.g., sales, training, deployment, developer/product upgrades, etc).
- 8.6 Vendor must outline in detail the 5-year plan for the proposed product.
- 8.7 –MANDATORY-- Vendor should include a statement certifying that the product is not at the end of its life cycle and providing their long range plan for the product. The State requires that the Vendor specify a minimum number of years during which the product will be supported, enhanced, maintained and marketed. Products lacking a sufficient support period may be subject to disqualification at the sole discretion of the State.
- 8.8 Vendor must provide details of the current enhancements being planned for future releases of the proposed product and the estimated target dates of availability.
- 8.9 Vendor must provide the date and location of proposed system's first successful installation and whether that product is still in use at the site.



- 8.10 Vendor must provide the average number of annual upgrades released for the product in the last 3 years.
- 8.11 Vendor must specify the method(s) available for distributing updates/upgrades.
- 8.12 Vendor must define how long prior releases are typically supported and describe their methodology for encouraging customer sites to stay current on upgrades.
- 8.13 Vendor must describe the current QA/testing methodology/process for software updates before releasing to the client.
- 8.14 Vendor must describe current procedures for ensuring that adequate support staff is available to assist customer sites during required updates.
- 8.15 Vendor must specify the number of clients currently using the proposed product in a production environment, including how many are using each specific version of the product, as well as the number of “implementation in progress” clients for the proposed product. Vendor is expected to provide an active client list to prove the product’s presence in the market.
- 8.16 Vendor must describe the method followed for licensing the proposed software (e.g., by workstation, concurrent number of users, site/enterprise license, pricing tiers, etc.).
- 8.17 Vendor must explain the process for incorporating user suggestions for software enhancements into updates.
- 8.18 If the proposed product has an active user group:
  - 8.18.1 Vendor must specify the frequency of user group meetings and the total number of attendees at the most recent user group meeting;
  - 8.18.2 Vendor must provide the user group officer contact information;
  - 8.18.3 Vendor must describe how the user group operates; and
  - 8.18.4 Vendor must identify the benefits related to joining the user group.

**9. Project Work Plan**

- 9.1 As part of their proposal, the State is relying on the Vendor to recommend a work plan, implementation schedule, and an expedient, economical approach that is advantageous to the State.

- 9.1.1 Vendor must provide the State with a phased implementation plan for each of the Tax Types listed in Section VII, Item 5.18 and justification for the proposed phases.
- 9.2 The State strongly desires that the Vendor propose an implementation plan that provides the best opportunity for MSTC to assume operational competency with the new system without imposing an unacceptable burden to the State.
- 9.3 For this proposal, the Vendor must submit a proposed preliminary Project Work Plan including activities, tasks, proposed personnel, estimated hours for each task, timeframes for each project task, assigned resources by name and/or title, major project milestones, quality assurance checkpoints, and all scheduled deliverables with targeted start and end dates.
- 9.4 Within the proposed plan, Vendor must clearly define State resource requirements and the skill levels required for each specified State resource. This work plan should include all phases of implementation (e.g. data conversion, customization/configuration, installation, testing, and go-live). This proposed work plan should specify tasks in terms of months, weeks, or days from contract signing.
- 9.5 Upon project award, the Vendor and MSTC will jointly modify the proposed work plan to develop a mutually agreed upon project work plan within the first 30 calendar days of project initiation. The State expects the Vendor to work with the State's appointed project manager to ensure effective project management of this plan during all phases.
- 9.6 Vendor should be aware that payments for this project will be made on a deliverables-based schedule, upon State acceptance of the agreed upon deliverables/milestones. The State requires that deliverables be tied to significant project milestones.
- 9.7 The project work plan must allow reasonable time for the State to review and approve task completion deliverables, without interrupting the Vendor's continuing progress toward completion of the project. A minimum of 10 working days will be required for the review and approval of each written deliverable.
- 9.8 The project work plan must be structured so as to minimize disruption and interference with the State's daily operations.
- 10. Vendor Services**
- 10.1 The awarded Vendor will perform software installation tasks as applicable including but not limited to database setup, file sizing, software retrofitting,

installation of software releases, application table setup, file migrations, installation tests, system integration tests, stress testing, functional verification and performance tuning.

- 10.2 The awarded Vendor must provide recommendations for organizational change and Business Process Reengineering (BPR) to the State to promote the success of the proposed system implementation. Vendor is not expected to manage the organizational change/BPR process, but to provide MSTC with the tools, experience, objectivity and support as they move to implement more expeditious methods and practices for performing their business functions utilizing the new system. Vendor should describe their approach to providing organizational change/BPR services under these conditions.

## 11. **Conversion Services**

- 11.1 Awarded Vendor must provide services to convert legacy data from existing systems and include line item pricing for these services in the *Cost Information Submission* (Section VIII).
- 11.2 Conversion must be considered an iterative process.
- 11.3 Conversion of each tax type shall consist of the “initial import” and scrubbing and massaging of taxpayer information for each tax type retrieved from the various data sources some of which are identified within this RFP. The awarded Vendor must perform the analysis necessary to assess the conversion requirements for data from the current legacy system(s) into the proposed solution.
- 11.4 As part of the proposal, Vendor must provide a preliminary Data Conversion plan for the proposed solution.
  - 11.4.1 The preliminary Data Conversion Plan shall clearly identify in detail the responsibility of the Vendor and the State in regards to all steps, tasks, activities, events, milestones and resources necessary for the conversion process.
  - 11.4.2 After award, the Vendor must work with the State to finalize and implement the Data Conversion Plan.
- 11.5 Awarded Vendor shall provide conversion services including, but not limited to, establishing a conversion plan, including techniques and associated tools used to track, document, and manage conversion issues, performing data mapping, developing, testing and executing conversion programs/scripts, loading testing databases as necessary, etc.

- 11.6 After analysis, the awarded Vendor must identify all data needed in the database for a successful implementation that is not available electronically in the State's system(s) and/or via other resources. For the proposal, the Vendor must provide an hourly rate for data entry services to enter the identified data. These costs must be listed as a separate line item in the Section VIII, *Cost Information Submission*. Utilizing these data entry services is at the sole discretion of the State.
- 11.7 Awarded Vendor shall perform quality assurance tasks to verify the data has been converted correctly and that the processes are accessing the converted data function as expected when the proposed solution is fully operational.
- 11.8 Awarded Vendor must identify the need for any value translation tables required for data conversion.
- 11.9 Awarded Vendor must provide the conversion methodology used to ensure all necessary data was converted / imported (e.g., hash totals, etc.) correctly.
- 11.10 Awarded Vendor must provide record layout for import files necessary for successful conversion.
  - 11.10.1 The State reserves the right to export the data from the current applications used into the file format requested by the Vendor depending on the availability of resources.
- 11.11 Awarded Vendor must perform any import tasks associated with converting the data from legacy systems and ensure the successful population of all data elements associated with the data. Alternately, the State may choose to provide the data for conversion from legacy systems to the Vendor in Vendor-requested format.
- 11.12 Awarded Vendor must verify the data conversion into the integrated tax system was accomplished successfully in that the loaded data populated the correct tables, appropriate fields, etc., and that the data information is intact in the integrated tax system for that tax type.
- 11.13 For the proposal, Vendor must specify the number of successful project data conversions the Vendor has completed.
- 11.14 Vendor agrees that all data converted and entered into the system either before or after go-live is solely owned by the State.
- 12. **Customization Services – Items 12.1-12.4 are requirements of the Awarded Vendor**
  - 12.1 Vendor must provide customization services if the base code must be modified to accommodate MSTC's business needs.

12.2 –MANDATORY– Vendor must provide to MSTC all components for any customization performed throughout the duration of the integrated tax system implementation. This includes, but is not limited to:

12.2.1 Code for customizations;

12.2.2 Documentation explaining how the customization works as well as any change in base functionality resulting from implementation of the customization;

12.2.3 All products, tools, system code, scripts required to compile code or generate scripts; and

12.2.4 All developed scripts and any other components required to utilize and support the entire system including customization.

12.3 Vendor must provide the State the option of retaining comprehensive Vendor support for any customizations performed. These costs must be listed as a separate line item in the Section VIII, Cost Summary Information.

12.4 Vendor must fully describe how customized code/modules will be affected by new releases, upgrades and patches and whether the code will have to be retrofitted to keep the Mississippi system in sync with the base module.

### 13. **Integration Services**

13.1 The Vendor's proposal must include the analysis, design, development, testing, and implementation services for all import/export functionality and processes, including data structures, to allow for the successful implementation of a fully integrated tax system for the MSTC.

13.2 At the State's discretion, exports from current tax programs and imports to current tax programs will be developed and executed by the MSTC staff based upon the data structures created by the Vendor. Vendor should provide a line item cost for developing the interfaces to each of the current tax programs based on the information contained within this RFP. These costs must be listed in the Section VIII, *Cost Information Submission*.

13.3 The import/exports referenced above may be those defined within these requirements, as well as those identified during the analysis phase of the project as defined in the Integration Requirements.

13.4 The Vendor must include in their proposal a plan for working with the MSTC to define how the proposed solution will be integrated with other MSTC systems as identified in Attachments C, D and E attached to this RFP.

13.5 For informational purposes, Vendor must explain how the proposed application interfaces with electronic signature functionality.

**14. Documentation -- Items 14.1-14.15 are requirements of the Awarded Vendor**

14.1 Vendor may provide “cheat sheets” on the basic functionality of the application for user training.

14.2 Vendor must provide “end-user” and technical documentation on each module of the proposed solution.

14.3 Vendor must provide all software documentation on electronic media (CD ROM). Data provided on CD ROM should be searchable. Both user and systems administration documentation must be provided.

14.4 All documentation must be State of Mississippi specific. If necessary, documentation shall be customized by the Vendor to meet such needs.

14.5 Vendor must provide, at no additional cost, any documentation updates needed for the successful operation of the solution for any system changes, upgrades, enhancements, or new releases to the software. Vendor must specify how such updates and documentation will be distributed to the State.

14.6 Vendor must provide technical documentation that includes installation, configuration, and administration for the application and all components. The acceptance of this documentation will be based on the ability of the State to utilize it to duplicate the entire application in another environment.

14.7 Vendor’s technical documentation must include a Disaster Recovery and Business Continuity plan for the proposed system. Vendor’s Disaster Recovery plan for the proposed solution must include, but not limited to, all recovery features and a step by step process of how the database is restored in the event of hardware or software failures or errors caused by human error.

14.8 Vendor should be aware that the Disaster Recovery plan for the proposed solution will be integrated into the master MSTC Disaster Recovery Plan. Vendor must be prepared to provide support and technical expertise to the State on all aspects of the proposed solution during this integration process.

14.9 As a component of the Disaster Recovery plan, Vendor should also include a Business Continuity plan for the proposed system. The business continuity plan should define the detailed steps of how the MSTC will continue to provide business operations (manually, electronically, etc.) during the transition period between the disaster and the recovery from the disaster.

14.10 Entity relationship diagrams should be included in system documentation.

- 14.11 The State must be allowed to reproduce, as needed and without incurring any additional cost, any documentation provided (including electronic or printed form). This reproduction of documentation will be for the sole purpose of this project.
- 14.12 Vendor must provide documentation on how to restore the database in the event of hardware or software failures, as well as human error.
- 14.13 Vendor must provide documentation on how to archive records based upon pre-defined time period.
- 14.14 Vendor must provide documentation on how to restore records that have been archived.
- 14.15 The Vendor must provide documentation of all functionality and dependencies in the application that will aid in the recovery of all or any part of the application.

**15. Training**

- 15.1 Awarded Vendor must provide all training required for the successful operation and internal support of the proposed solution.
  - 15.1.1 All training must be customized and address the proposed solution as it pertains to the needs of the State of Mississippi.
  - 15.1.2 Vendor must provide onsite train-the-trainer training sessions for up to 30 users. Available MSTC training facilities allows for a maximum of 15 participants.
  - 15.1.3 The Vendor must provide a customized training curriculum for future use by the State's trainers.
  - 15.1.4 Vendor must provide onsite technical support staff/System Administrator training for up to 10 technical/System Administrator users. Training must include, at a minimum: how to create additional customization; how to create triggers and/or alarms; how to archive records and retrieve records from archive; system security; configuration and administration of system tables and parameters; how to develop and modify reports; and training on any additional software necessary for successful implementation and support of the proposed solution.
  - 15.1.5 Training must include media based, hands-on experience, and instructor-led delivery modes.

- 15.1.6 Training must be provided onsite at a facility provided by the State.
  - 15.2 Vendor must provide separate detailed cost information in *Cost Information Submission*, Section VIII for each different type of training proposed, requested and/or required.
  - 15.3 Awarded Vendor must provide any and all training materials and documentation necessary for the successful delivery of the training sessions. Training materials and documentation should be delivered to the State on electronic media (CD ROM) that is search enabled.
  - 15.4 All training materials and documentation are considered a deliverable and must be submitted to the State with adequate time for the State to review and approve all such material prior to the beginning of the actual training.
  - 15.5 The State must be allowed to reproduce and/or edit, as needed and without incurring any additional cost, any training materials provided, including electronic or printed form. This reproduction of training materials will be for the sole purpose of this project.
  - 15.6 The State will determine when training is sufficient for successful system operations based upon staff's ability to operate the system following UAT systems training. If, after initial training session is completed, the State and Vendor determine that additional training is needed, the Vendor will be required to provide such additional training at no additional cost to the State.
  - 15.7 If there are system changes, upgrades, enhancements, or new releases to the software that require additional training, Vendor shall provide the additional training needed for the successful operation of the software.
  - 15.8 At the request of the State, Vendor shall provide additional training sessions. The cost for such additional sessions should be outlined as an hourly rate and a per session rate in Section VIII, the Cost Information Submission.
  - 15.9 Vendor must include in the proposal a description of the training provided for new releases or upgrades to the system
16. **Acceptance Testing**
- 16.1 The purpose and net result of the acceptance test is to determine that the system proposed, designed, customized, and installed meets the technical and functional requirements outlined in these specifications. A system considered "acceptance test ready" is defined as a system that has completed a full system test with no known outstanding material defects.



- 16.2 Prior to release into the Acceptance Testing phase, Vendor must conduct an operational system test of the proposed system and certify, in writing, that the system is ready for acceptance testing and will perform in accordance with requirements stated in this document. The Vendor must ensure that the system in general and each module of the system in particular operate according to specifications before turning the system over to MSTC. MSTC personnel will not debug modifications for the Vendor.
- 16.3 The awarded Vendor must provide a proposed “Acceptance Test Plan” (ATP) prior to acceptance testing of the system by the State. The plan must show events, sequences, and schedules required for acceptance of the system. MSTC must provide written approval that the proposed plan is complete and acceptable prior to the beginning of the acceptance testing.
- 16.3.1 The MSTC may choose to update the ATP at its discretion prior to the beginning of the acceptance testing.
- 16.4 Vendor must provide all documentation, as defined in this RFP under Documentation Requirements, for the module(s) being tested before acceptance testing will begin. Acceptance of the documentation will depend on the ability to utilize the application during acceptance testing including, but not limited to, system administration and data recovery. If the State determines the documentation to be insufficient, the Vendor must provide within 10 working days and at his own expense, whatever updates may be required to resolve documentation deficiencies.
- 16.5 Vendor must provide system and user training for all modules being tested to the acceptance test team prior to the initiation of the acceptance test period.
- 16.6 The State will conduct acceptance testing of the system after system testing has been completed and certified in writing by the Vendor. The Vendor must participate in the acceptance testing of the system by providing technical staff onsite for assistance. Vendor technical staff will provide assistance in the following ways, including but not limited to, demonstrating the functions of the system, providing instruction on system nuances, helping to establish processes, identifying and responding to system problems, etc.
- 16.7 The Vendor must agree to and allow for a final acceptance testing period of up to 30 working days in accordance with the Project Work Plan delivery schedule. Testing at selected district offices located in various parts of the State will be included during the 30 working day Acceptance Test period.
- 16.8 As a component of acceptance testing, the State will assess the sufficiency of the system and user training curriculum. In the event that any training curriculum is not accepted based on knowledge gained during acceptance testing, the Vendor must resolve the deficiency within 10 working days and at

his own expense. The curriculum must be accepted prior to the execution of any training in preparation for implementation.

- 16.9 The Vendor may propose a phased testing approach if some modules are ready for use before others. Regardless of the strategy employed, the complete application system will undergo the full 30 working day acceptance testing by the State once all modules are complete/customized and ready for final implementation. If the phased testing approach is used, Vendor must be aware that the State intends to conduct regression testing and will fully test the system, end-to-end in its entirety prior to accepting the system.
- 16.10 The State will communicate to the Vendor any deficiencies identified during testing. These deficiencies must be corrected and tested by the Vendor before submitting the corrections to the State for regression testing.
- 16.11 Acceptance testing is complete when the State has successfully completed all acceptance test criteria defined in the ATP, as well as other ad hoc testing as defined by the State; all critical defects have been corrected and successfully re-tested by the State; and the State has been able to emulate 10 consecutive successful iterations of processing cycles, as defined by the State, without error. These completion criteria are independent of the 30 working day test period.
- 16.12 The Vendor must correct any deficiencies identified during the pilot period. The Vendor must test the corrected deficiencies before submitting them to the State for regression testing.
- 16.13 Acceptance testing shall not in any way relieve the Vendor of his responsibilities to correct any defect during the warranty period.
- 16.14 In the event that one or more modules is not accepted based on the test criteria, the Vendor must, at his own expense, provide software or modifications that may be required to meet the acceptance criteria within 10 working days.

## **17. Warranty**

- 17.1 The warranty period is a one-year period during which the Vendor must warrant that the system performs as stated in the contract, RFP and Vendor's proposal. The warranty period must include the necessary Vendor support to correct any system deficiencies found and to provide any other system consultation as needed.
- 17.2 The warranty period will not begin until all tax types and business processes are fully integrated, implemented, and accepted by MSTC.

- 17.3 The Vendor must agree to warrant any and all application software proposed to be free of errors for a minimum period of one year after acceptance of such software. During this period, the Vendor will agree to correct any errors discovered at their own expense. If the system fails during warranty due to a defect, the Vendor will offer a workaround solution within 24 hours and a full fix within 5 working days.
- 17.4 The Vendor must state and discuss the full warranty offered during the warranty period on all system software proposed and state if it is longer than the minimum required one year period.
- 17.5 This warranty must cover all components of the system, including all programs, screens, reports, subroutines, utilities, file structures, documentation, integration, conversions, or other items provided by the Vendor. This warranty will apply to the base package, plus any customized programs, screens, reports, subroutines, interfaces, conversions, utilities, file structures, documentation, or other items proposed and delivered by the Vendor specifically for this procurement.
- 17.6 The Vendor must agree that all corrections made during the warranty period will be considered an integral part of the proposed system and will be available to MSTC under the normal license agreement at no additional charge. Vendor must update documentation for all corrections made during the warranty period.
- 17.7 Warranty coverage must also include provision for enhancements, fixes, and upgrades provided as part of Vendor's standard license/maintenance agreement free of charge. Vendor must acknowledge the inclusion of all required warranty features.

**18. Support and Maintenance**

- 18.1 The State expects this maintenance and support service to include all application software upgrades, patches, enhancements, fixes and customizations.
- 18.2 For the proposal, the Vendor must fully describe their process, policy, timeline, and frequency for announcing, testing, and releasing application software upgrades, enhancements, or fixes/patches.
- 18.3 For the proposal, the Vendor must specify how upgrades, enhancements and fixes/patches are obtained and how the state will receive notification.
  - 18.3.1 The Vendor must describe the process and tasks associated with post implementation installation of upgrades and/or patches. Vendor must

include steps regarding customizing the software and how it is affected when upgrades and/or patches are installed.

- 18.4      Awarded Vendor must provide support necessary to assist the State with installation of software upgrades, patches, enhancements, fixes, and customizations
- 18.5      At the time of availability of any enhancement, fix, or upgrade, the awarded Vendor must provide the State with an outline of all modules and/or customization that may be affected.
- 18.5.1      Documentation of new functionality or changes to existing functionality must also be provided for all upgrades, enhancements, or fixes.
- 18.6      For the proposal, Vendor must describe how user customization(s) of the application affects the warranty and maintenance/support of the product(s).
- 18.7      Awarded Vendor must provide support necessary to assist the State with recovering from a crash or down time situation.
- 18.8      Awarded Vendor must identify all scheduled maintenance requirements including a description of all daily, weekly, monthly, and annual tasks.
- 18.9      For the proposal, the Vendor must fully describe other features offered by the proposed maintenance/support plan.
- 18.10      The MSTC envisions a phased implementation of all tax types. For the proposal, the Vendor must specify costs and details for providing annual application maintenance and support for up to five years after the implementation of the final tax type. These costs must be listed in the Section VIII, *Cost Information Submission*.
- 18.11      For the proposal, Vendor must specify the annual support increase ceiling to which the Vendor is willing to agree. Price escalations, if any, for annual support coverage will be permitted, but shall not exceed the lesser of a 5% increase or an increase consistent with the percent increase in the consumer price index, all Urban Consumer US City Average (C.P.I. -u) for the preceding year.
- 18.12      The awarded Vendor must provide a toll free number for technical support/help desk during normal operating hours. Any associated costs must be provided as a separate line item in the Section VIII, *Cost Information Submission*.
- 18.13      The State prefers the Vendor to keep a log of all support calls made by MSTC staff and to provide this log to MSTC with the current status of open issues, as well as documented solutions to closed issues upon demand.

- 18.14 The State prefers that the Vendor provide on-line web support.
- 18.15 Vendor must agree to send support usage statements to the State upon request.
- 18.16 Vendor must identify, in his proposal, the nearest service dispatch point if software problems cannot be fixed over the phone.
- 18.17 The Vendor must provide scheduled downtime notice (calendar) at least two weeks in advance.
- 18.18 At the request of the State, the Vendor should provide onsite support as needed.
- 18.19 Problem severity levels will be assigned upon mutual agreement between the State and the Vendor.
- 18.20 The Vendor must provide problem resolution outlined below. The Vendor must describe in detail their standard support policies and procedures for the proposed solution.
  - 18.20.1 The Vendor must resolve Severity Level 1 critical system problems (which impact access to the system or render the system non-functioning) within one (1) business day unless otherwise authorized in writing by the State. Severity Level 1 shall be defined as urgent situations, when the State's production system is down and the State is unable to use the solution; the Vendor's technical support staff shall accept the State's call for assistance at the time the State places the initial call; however, if such staff is not immediately available, the Vendor shall return the State's call within one (1) business hour.
  - 18.20.2 The Vendor must resolve Severity Level 2 problems related to essential system functions (where a workaround does not exist) within two (2) working days unless otherwise authorized in writing by the State. Severity Level 2 shall be defined as a critical software system component(s) that has significant outages and/or failure precluding its successful operation, and possibly endangering the State's environment. The solution may operate but is severely restricted (e.g., a frequently used functionality gives an incorrect response.) The Vendor's technical support staff shall accept the State's call for assistance at the time the State places the initial call; however, if such staff is not immediately available, the Vendor shall return the State's call within two (2) business hours.
  - 18.20.3 The Vendor must resolve Severity Level 3 problems related to system functions or software errors (where a workaround does

exist) within ten (10) working days unless otherwise authorized in writing by the State. Severity Level 3 shall be defined as a minor problem that exists with the solution but the majority of the functions are still usable and some circumvention maybe required to provide service (e.g., an infrequently used functionality gives an incorrect response.) The Vendor's technical support staff shall accept the State's call for assistance at the time the State places the initial call; however, if such staff is not immediately available, the Vendor shall return the State's call on average within three (3) business hours.

18.20.4 Vendor must resolve Severity Level 4 problems related to system functions or software errors (where a workaround does exist) within fifteen (15) working days unless otherwise authorized in writing by the State. Severity Level 4 shall be defined as a very minor problem or question that does not affect the solution's function (e.g., the text of a message is worded poorly or misspelled.) The Vendor's technical support staff shall accept the State's call for assistance at the time the State places the initial call; however, if such staff is not immediately available, the Vendor shall return the State's call within four (4) business hours.

18.20.5 General Assistance: For general software support/help desk calls not covered by the above security level descriptions, the Vendor's technical support staff shall accept the State's call for assistance at the time the State places the initial call; however, if such staff is not immediately available, the Vendor shall return the State's call within five (5) business hours.

## **19. General Functionality Requirements**

- 19.1 General Requirements apply to the entire proposed solution, including all modules, integration processes, and associated business rules.
- 19.2 The proposed solution must include a well-designed user interface which minimizes "menu hopping" when moving between different modules.
- 19.3 Vendor proposal should identify all browsers and versions supported by the proposed solution.
- 19.4 The proposed solution must be compatible with the existing traditional TCP/IP LAN infrastructure.
- 19.5 The proposed solution must operate in a multi-user environment and be able to handle multiple simultaneous users without system degradation. The proposed solution must support a minimum of 500 concurrent users.

Vendor's proposal must also include the Vendor's formula used for estimating concurrent users. Vendor should describe in detail how they can validate that this requirement is met by the system being proposed (e.g. providing load testing results or live statistics about current reference site.).

19.6 The proposed solution shall allow users to access the system with minimal response time.

19.6.1 Proposed solution must be structured so as to minimize the time for the initial screen to appear and navigation from window to window.

19.6.2 Proposed solution shall provide no discernable typing delay.

19.6.3 Transaction completion time (after the enter key is pressed) should be near instantaneous but must not exceed 3 seconds.

19.6.4 Proposed solution must be easy to navigate.

19.6.5 Vendor must propose response times they are willing to commit to based on the proposed solution, hardware specifications, and the anticipated size of the MSTC database given the projected growth over the next 5 years. Vendor should provide explanation and justification as to how they calculated MSTC database size and growth.

19.7 Proposed solution should allow for configuration. Vendor should describe how each of the following requirements will be met by the proposed system.

19.7.1 Proposed solution must be configurable for Mississippi specific tax information. The initial configuration should be directed by the vendor with later configuration made by MSTC staff.

19.7.2 The proposed solution must allow for user-definable fields to be added throughout the application without Vendor customizations.

19.7.2.1 The user-definable fields must integrate with other processes in the integrated tax system.

19.7.2.2 All user-definable fields must have the ability to be searched and to be included in reports.

19.7.3 The proposed solution must have the flexibility to allow authorized users to define the selection criteria for some drop down lists.

19.7.4 The proposed solution must provide for the ability to configure business rules.

- 19.7.4.1 Proposed solution should allow business rules to be configured to apply system-wide, by tax type, or to specific groups within the system.
- 19.7.4.2 Only authorized users should have the ability to configure business rules.
- 19.7.4.3 Proposed solution should have the ability to begin date and end date business rules.
- 19.7.5 The proposed solution must provide for the ability to configure “triggers” or action(s) that are programmatically initiated based upon pre-defined criteria and/or business rules.
  - 19.7.5.1 Proposed solution should allow “triggers” to be configured to apply system-wide or to specific groups within the system.
  - 19.7.5.2 Only authorized users should have the ability to configure “triggers”.
- 19.7.6 Proposed solution should provide automated workflow functionality allowing the State to define one or more workflow scenarios.
  - 19.7.6.1 Proposed solution must provide the ability to have multiple workflows based on business rules or scenarios.
  - 19.7.6.2 Proposed solution must provide the ability to modify existing workflows and/or create new workflows after implementation.
  - 19.7.6.3 Proposed solution must allow a user, with the appropriate security rights, the ability to override a pre-defined workflow on an ad-hoc basis. The purpose of this override would not be a permanent change to the workflow, only an adjustment for specific scenarios.
  - 19.7.6.4 Workflow functionality in the proposed solution must allow for a two-way workflow meaning that the workflow can be defined and/or overridden to allow the flow to go “backward” or “forward.”
- 19.7.7 Based on a trigger, event, or status change, the proposed solution should provide the following functionality:



- 19.7.7.1 The ability to configure specific criteria and/or business rules that would cause an automatic taxpayer notification.
- 19.8 The proposed solution should provide functionality to allow for data to be imported into the integrated Tax System from other applications and data to be exported from the integrated Tax System into other applications such as Word, Excel and/or Access.
- 19.9 The proposed solution should provide functionality that allows for fields in the record to be pre-populated using information already housed in the database, and/or selected from a dropdown list, based on business rules.
- 19.10 The proposed solution must provide “user-friendly” error messages worded in a non-technical manner. However, messages should also contain enough technical information that the error can be identified, debugged, and corrected by the technical support team.
- 19.11 Proposed solution must provide the following functionality related to security and/or accessibility:
- 19.11.1 Security must be an integral part of the proposed solution. The solution must enforce referential integrity and constraints directly within the database and application tables.
- 19.11.2 The proposed solution must have a single point of authentication. Preference may be given to Vendors proposing solutions utilizing LDAP.
- 19.11.2.1 In the event the proposed solution cannot utilize LDAP, Vendor must provide the password rules and standards provided in the proposed solution.
- 19.11.3 Proposed solution security level will determine the level of access each individual has and what that individual will be allowed to view and perform on each screen or field of the application.
- 19.11.4 Proposed solution must provide functionality that supports multi-level security definition/role-based security levels.
- 19.11.5 Proposed solution must provide functionality that supports multi-level security access.
- 19.11.6 The proposed solution must prevent unauthorized access to the system and must allow the State to determine which modules users may access.

- 19.11.7 The system must provide application and menu level security and allow setup of inquire, add, change, and delete access by user and/or group.
- 19.11.8 The proposed solution must allow the System Administrator to set rights for access, modification, addition, and deletion of fields by individual or group.
- 19.11.9 The system must provide functionality that supports the assignment of security levels globally, by group and individual user.
- 19.11.10 The system must provide for supervisor approval of certain user activities.
- 19.11.11 System administrator must be able to copy a security profile to easily create an additional profile for employee with same job duties.
- 19.11.12 The proposed solution must provide audit reports for user and administrator activity.
- 19.11.13 The proposed solution must provide an audit trail across all functions by associating a UserID and date/time stamp to all adds, changes, and deletes.
- 19.11.14 The audit facility must track all database changes, regardless if enacted via the application, a database utility, or other means.
- 19.12 The proposed solution must support history logs meaning that any change to the database must be logged and identified with a date/time stamp including UserID. A history of all changes must be accessible to the Systems Administrator.
- 19.13 Database capacity must allow for text fields to be captured and stored.
- 19.13.1 The proposed solution should allow for some text fields, such as comments, to be updatable. Also, allow for additional comments to be added.
- 19.14 The data must be updated in real-time.
- 19.15 Vendor must provide system tools to diagnose and troubleshoot the database. These tools should be on-line and non-disruptive.
- 19.16 The proposed solution must allow authorized users to modify data fields within a record without having to delete the existing record and add a new record.
- 19.17 Based upon the security rights of the user, the proposed solution must allow the display of selected data related to a queried item.

- 19.18 –MANDATORY– The proposed solution must ensure data integrity.
- 19.18.1 Because a single transaction can update different tables in the database, the proposed solution should use a strategy designed to ensure that either all the tables are updated or none are updated for synchronization.
- 19.18.2 Proposed solution should allow only one authorized user at a time to update an individual record. When a user with update capabilities opens the record, the record should be locked for update; however, another user should be able to view the record.
- 19.18.3 If a user attempts to update a record that is already in use by another user, the proposed solution shall provide an error message indicating the record is locked for update.
- 19.19 The Vendor must describe the functionality provided in the proposed solution for archiving data and retrieving archived data.
- 19.20 The proposed solution should allow authorized users to perform easy global updates on certain data information.
- 19.21 The system should contain a job-processing window to monitor jobs currently running in the system. This window should allow the State to modify and/or delete scheduled jobs. If the proposed system does not include a batch job scheduler, Vendor must propose a 3<sup>rd</sup> party tool. The MSTC does not currently have an independent tool/utility for scheduling jobs.
- 19.22 The proposed application should include a comprehensive on-line help function that includes screens, modules and functional areas of the solution.
- 19.23 The proposed solution should have the capability to spell-check any text comment field. The user must have the ability to apply or ignore the suggested changes.

## 20. **Functional Requirements**

The MSTC anticipates implementing a COTS solution for the administration of taxes, recognizing that minimal customization may be needed to meet the specific requirements of the Agency. These specific requirements are addressed in the Functional Requirements Matrix below and organized under the following nine broad categories:

- 20.1 Taxpayer Identification Requirements apply to the capture and maintenance of taxpayer and tax account demographic information and the relationship between those different attributes.
- 20.2 Returns Processing Requirements apply to the acceptance of data from returns filed on behalf of a taxpayer and the calculation and validation of the data

based on certain business rules set by the MSTC, regardless of the source used to file such returns.

- 20.3 Taxpayer Accounting Requirements apply to the capture, calculation and analysis of accounting data for the specific tax accounts of taxpayers. These requirements will account for the financial data received from taxpayers and properly credit the tax account identified, assess the proper amount of tax due based on the data received or not received and determine the balance. Based on the balance, the solution must initiate the billing process, the refund process, offset overpayments in one tax to underpayments in another or maintain the information.
- 20.4 Revenue Accounting Requirements apply to the capture, calculation and distribution of the general revenue data compiled from all taxpayers and tax accounts based on transaction type, revenue type, accounting periods, and tax periods to accurately account for the state's revenue.
- 20.5 Audit/Discovery Requirements apply to the manipulation of all data captured from the system and third parties, both demographic and financial, in order to identify tax accounts that require additional review and analysis, create a review case and track the actions taken on the case.
- 20.6 Correspondence/Document Requirements apply to the generation of required correspondence or official documents based on the status of taxpayers or tax accounts. These requirements include the issuance of permits, letters, billing notices, informational notices, invoices and custom correspondence.
- 20.7 Internet Service Center Requirements apply to the ability of taxpayers to submit return and payment information, update their account demographic and retrieve their own specific account information and access the status of other tax accounts through a web based solution.
- 20.8 Compliance Requirements apply to the management of established taxpayer liabilities by using tools available to collect any outstanding debt owed to the state. These requirements must provide the ability to merge/join/cross-reference all assessments associated with a specific taxpayer into a collection case, track the actions taken on the case, established payment plans and use third party information to collect the outstanding debt.
- 20.9 Global System Requirements apply throughout the entire system. These are some generic, all-encompassing requirements that should be implemented throughout the system as appropriate. There are seven sub categories within this section.

20.9.1 Security

- 20.9.2 Reports
- 20.9.3 Queries or Searches
- 20.9.4 Workflow or Work Items
- 20.9.5 History
- 20.9.6 View Images
- 20.9.7 System

## 21. Scoring Methodology

- 21.1 The evaluation team, consisting of MSTC and **ITS** personnel, will use any or all of the following categories and point allocations in evaluating the responses for this RFP. All information provided by the Vendors, as well as any other information available to evaluation team, will be used to evaluate the proposals.

Category	Possible Points
Non Cost Factors:	
Technical/Functional Requirements	35
Vendor Qualifications, References, and Market Presence	20
Warranty and Maintenance Support	10
Total Non-Cost Factors	65
Cost	35
<b>Total Base Points</b>	<b>100</b>
Value-Add	5
<b>Maximum Possible Points</b>	<b>105</b>

- 21.2 As shown, the sum of all categories, other than Value-Add, will equal 100 possible points. Value-Add is defined as product(s) or service(s), exclusive of the stated functional and technical requirements and provided to the State at no additional charge, which, in the sole judgment of the State, provide both benefit and value to the State significant enough to distinguish the proposal and merit the award of additional points. A Value-Add rating between 0 and 5 may be assigned based on the assessment of the evaluation team. These points will be added to the total score.
- 21.3 Cost proposals for any proposal scoring less than 75% of requirements (exclusive of evaluation points for cost and added value) may be eliminated from further consideration. **ITS** reserves the right to eliminate proposals not meeting the technical specifications and focus solely on the remaining proposals.
- 21.4 The 5-year lifecycle cost component will be calculated in accordance with the **ITS** cost scoring formula. Vendors not receiving at least fifty percent (50%) of the available cost points may, at the sole discretion of the State, be eliminated from further evaluation.
- 21.5 Onsite Demonstrations and Interviews
- 21.5.1 At the discretion of the State, evaluators may request onsite presentations, demonstrations or discussions with any and all Vendors for the purpose of system overview and/or clarification or amplification of information presented in any part of the proposal. Vendors are cautioned that the evaluators are not required to request presentations, demonstrations, or clarifications; therefore all proposals should be complete and concise and reflect the most favorable terms available from the Vendor.
- 21.5.2 If requested, Vendors must be prepared to make onsite demonstrations of system functionality including security and/or proposal clarifications to the evaluation team and its affiliates within seven calendar days of notification. Each presentation must be made by the project manager being proposed by the Vendor to oversee implementation of this project.
- 21.5.3 Proposed key team members must be present at the onsite demonstration. The evaluation team reserves the right to interview the proposed key team members during this onsite visit. Key team members must include, but are not limited to, the project manager, technical lead, functional lead, and the training instructor.
- 21.5.4 Although onsite demonstrations may be requested, they will not be allowed in lieu of a written proposal.

21.6 Site Visits

At the State's option, the State may conduct sites visits for Vendors remaining within a competitive range after scoring of proposals and onsite demonstrations/interviews, if applicable. Vendor must provide a list of 5 references sites from the list of references contained in Section VII, Item 5.17.3 that the State team may visit to see the proposed system in operation within seven calendar days of notification. If possible, the reference site should be in the Southeastern region of the United States. Vendor must list potential reference sites in the proposal.

21.7 Demonstration Copy

For evaluation purposes, Vendor must provide a demonstration copy of the proposed software product. Appropriate system, administration, and user documentation must be provided for evaluation. Access to a demonstration version of the product on the Vendor's website also meets this requirement. If available on website, Vendor must provide the appropriate web address along with any security access, if needed.

21.8 Following completion of the interviews (if applicable), Vendor demonstrations and oral presentations (if applicable), and site visits (if applicable), the evaluators will reevaluate any scores as necessary. Finally, the functional/cost scores will be combined with any value added points to render Vendor's final score that will determine the "lowest and best" Vendor for each of the Proposal Options. Proposals meeting fewer than 80% of specifications (exclusive of evaluation points for cost and added value) in a COTS solution (base product without customization) may be eliminated from further consideration. This 80% requirement may not be met with modifications or bolt-on software that has not been previously bundled with the proposed solution.

22. **Cost Submission**

22.1 Vendor must propose all costs for a turnkey solution, including software licenses, hardware, installation, implementation/configuration, and training in the *Cost Information Submission* (Section VIII). Vendor must also provide cost of warranty, maintenance/support, and other ongoing costs as directed in Section VIII.

22.2 Vendor must identify all expected payment deliverables in the project work plan as described in Section VII, Item 9, Project Work Plan.

22.3 Vendor should be aware that the State will pay by the deliverable/milestone for this project as invoiced according to the project work plan, subject to 15% retainage per deliverable. Retainage will be released in a lump sum upon final acceptance of the proposed solution.

- 22.4 Vendor must quote both a fully loaded and a non-loaded hourly change order rate for enhancements that MSTC may request after initial system implementation. A “fully loaded” hourly rate means an hourly rate that includes any additional expenses such as travel and per diem. A non-loaded hourly rate means an hourly rate that does not include any additional expenses such as travel and per diem. Expenses associated with a non-loaded rate will be reimbursed as they occur, but must not exceed the guidelines established by the Mississippi Department of Finance and Administration (DFA). For additional information concerning these guidelines, please refer to the following link:

<http://www.dfa.state.ms.us/Purchasing/Travel/TravelManual.pdf>.



## SECTION VIII COST INFORMATION SUBMISSION

Vendors must propose a summary of all applicable project costs in the matrix that follows. The matrix must be supplemented by a cost itemization fully detailing the basis of each cost category. The level of detail must address the following elements as applicable: item, description, quantity, retail, discount, extension, and deliverable. Any cost not listed in this section may result in the Vendor providing those products or services at no charge to the State or face disqualification.

<b>Deliverable</b>	<b>Deliverable Due Date Subject to approved Project Plan</b>	<b>Deliverable Cost</b>	<b>Less 15% Retainage</b>	<b>Payment Amount</b>
<b>Software</b>				
<b>Services</b>				
<b>Subtotals (initial cost):</b>				
<b>Release of Retainage</b>	Upon final acceptance of the completed system and expiration of the warranty period	N/A	N/A	
<b>Totals:</b>			N/A	

**Fully loaded change order hourly rate:** \$ \_\_\_\_\_

**Non loaded change order hourly rate:** \$ \_\_\_\_\_

## **SECTION IX REFERENCES**

Please return the following Reference Forms, and if applicable, Subcontractor Reference Forms.

### **1. References**

- 1.1 The Vendor must provide at least five (5) references consisting of Vendor accounts that the State may contact. Required information includes name, address, telephone number, email address, and length of time the account has been a customer. Forms for providing reference information are included on the next page. The Vendor must make arrangements in advance with the account references so that they may be contacted at the Project team's convenience without further clearance or Vendor intercession. Failure to provide this information in the manner described may subject the Vendor's proposal to being rated unfavorably relative to these criteria or disqualified altogether at the State's sole discretion.
- 1.2 References should be based on the following profiles and be able to substantiate the following information from both management and technical viewpoints:
  - 1.2.1 The reference installation must be similar in function and size to the agency/institution for which this RFP is issued;
  - 1.2.2 The reference installation product/service must be configured similarly or identically to this RFP; and
  - 1.2.3 The reference installation must have been operational for at least twelve (12) months.

### **2. Subcontractors**

The Vendor's proposal must identify any subcontractor that will be used and include the name of the company, telephone number, contact person, type of work subcontractor will perform, number of certified employees to perform said work, and five (5) references for whom the subcontractor has performed work that the State may contact. Forms for providing subcontractor information and references are included at the end of this section. The Vendor must note that the same requirements found in the References section apply to subcontractors.

## **REFERENCE FORM**

### **Complete five (5) Reference Forms.**

Contact Name:

Company Name:

Address:

Phone #:

E-Mail:

Project Start Date:

Project End Date:

Description of product/services/project, including start and end dates:

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## **SUBCONTRACTOR REFERENCE FORM**

**Complete a separate form for each subcontractor proposed.**

Contact Name:  
Company name:  
Address:  
Phone #:  
E-Mail:

Scope of services/products to be provided by subcontractor:

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**Complete five (5) Reference Forms for each Subcontractor.**

Contact Name:  
Company name:  
Address:  
Phone #:  
E-Mail:

Description of product/services/project, including start and end dates:

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**ATTACHMENT A  
STANDARD CONTRACT**

A properly executed contract is a requirement of this RFP. After an award has been made, it will be necessary for the winning Vendor to execute a contract with **ITS**. The inclusion of this contract does not preclude **ITS** from, at its sole discretion, negotiating additional terms and conditions with the selected Vendor(s) specific to the projects covered by this RFP.

If Vendor cannot comply with any term or condition of this Standard Contract, Vendor must list and explain each specific exception on the *Proposal Exception Summary Form* included in Section V.

**PROJECT NUMBER 37300  
SOFTWARE TURNKEY AGREEMENT  
BETWEEN  
INSERT VENDOR NAME  
AND  
MISSISSIPPI DEPARTMENT OF INFORMATION TECHNOLOGY SERVICES  
AS CONTRACTING AGENT FOR THE  
MISSISSIPPI STATE TAX COMMISSION**

This Software Turnkey Agreement (hereinafter referred to as "Agreement") is entered into by and between **INSERT VENDOR NAME**, a **INSERT STATE OF INCORPORATION** corporation having its principal place of business at **INSERT VENDOR STREET ADDRESS** (hereinafter referred to as "Seller"), and Mississippi Department of Information Technology Services having its principal place of business at 301 North Lamar Street, Suite 508, Jackson, Mississippi 39201 (hereinafter referred to as "ITS"), as contracting agent for the Mississippi State Tax Commission located at 1577 Springridge Road, Raymond, Mississippi 39154 (hereinafter referred to as "Purchaser"). ITS and Purchaser are sometimes collectively referred to herein as "State."

**WHEREAS**, Purchaser, pursuant to Request for Proposals ("RFP") Number 3592 requested proposals for the acquisition of certain software, installation and conversion services, and technical support (collectively "Turnkey Operation") necessary for the implementation of a commercial off-the-shelf integrated tax management system, Internet taxpayer service center, and data warehouse; and

**WHEREAS**, Seller was the successful proposer in an open, fair, and competitive procurement process to provide the system and services described above;

**NOW, THEREFORE**, in consideration of the mutual understandings, promises, consideration, and agreements set forth, the parties hereto agree as follows:

#### **ARTICLE 1 PERIOD OF PERFORMANCE**

**1.1** This Agreement will become effective on the date it is signed by all parties and will continue in effect until all tasks required herein, including any post warranty maintenance/support specified in Exhibit A, have been completed. Seller agrees to complete all tasks required under this Agreement, with the exception of warranty service and post warranty maintenance, on or before December 31, 2015, or within such other period as may be agreed to by the parties.

**1.2** This Agreement will become a binding obligation on the State only upon the issuance of a valid purchase order by the Purchaser following contract execution and the issuance by ITS of the CP-1 Acquisition Approval Document.

#### **ARTICLE 2 TURNKEY OPERATION AND INSTALLATION**

**2.1** The Seller agrees to provide Purchaser with a turnkey system consisting of software, installation and conversion services, technical support, and training for the implementation of a commercial off-the-shelf integrated tax management system as specified in RFP No. 3592. Seller agrees to facilitate the integration of the hardware and software for the particular purpose set forth in RFP No. 3592. Seller further agrees that the system as set forth in RFP No. 3592 and Seller's Proposal in response thereto shall operate efficiently and optimally in light of industry standards and as further specified in RFP No. 3592 and Seller's Proposal in response thereto. RFP No. 3592 and Seller's Proposal as accepted by the State in response thereto are incorporated herein by reference.

**2.2** In matters of proposals, negotiations, contracts, and resolution of issues and/or disputes, the parties agree that: (a) Seller is solely responsible for all products and services being provided in this project; (b) Seller is responsible for the fulfillment of this project; and (c) Seller represents all contractors, third parties, and/or subcontractors Seller has assembled for this project. The Purchaser is required to negotiate only with Seller, as Seller's commitments, as specified in this Agreement, are binding on all proposed contractors, third parties, and subcontractors.

#### **ARTICLE 3 PROCUREMENT OF SOFTWARE AND PURCHASE ORDERS**

Subject to the terms and conditions set forth herein, Seller agrees to provide, at the location specified by Purchaser, and Purchaser agrees to buy as needed the software and services listed in the attached Exhibit A, which is incorporated herein and at the purchase price set forth therein. Purchaser shall submit a purchase order signed by a representative of Purchaser itemizing the items to be purchased. The purchase order shall be subject to the terms and conditions of this Agreement. The parties agree that Purchaser reserves the right to adjust the quantities of

purchases based upon the availability of funding or as determined necessary by Purchaser. Seller guarantees pricing for a period of thirty six (36) months from the effective date of this Agreement. In the event there is a national price decrease of the products specified in Seller's Proposal during this time, Seller agrees to extend the new, lower pricing to Purchaser.

#### **ARTICLE 4 DELIVERY, INSTALLATION, AND RISK OF LOSS**

**4.1** Seller shall deliver the software to the location specified by Purchaser, pursuant to the delivery schedule set forth by Purchaser.

**4.2** Seller shall complete installation of the software pursuant to the requirements set forth in RFP No. 3592 and Article 5 herein. Seller acknowledges that installation of the system shall be accomplished with minimal interruption of Purchaser's normal day-to-day operations.

**4.3** Seller shall assume and shall bear the entire risk of loss and damage to the software from any cause whatsoever while in transit and at all times throughout its possession thereof.

**4.4** Seller shall be responsible for replacing, restoring, or bringing to at least original condition any damage to floors, ceilings, walls, furniture, grounds, pavements, sidewalks, and the like caused by its personnel and operations during the installation, subject to final approval of ITS. The repairs will be done only by technicians skilled in the various trades involved, using materials and workmanship to match those of the original construction in type and quality.

#### **ARTICLE 5 SCHEDULE AND ACCEPTANCE**

**5.1** Seller warrants that all software shall be properly delivered, installed, and integrated for acceptance testing within the scheduling deadlines set forth by Purchaser, as the site is deemed ready for installation. Seller shall provide Purchaser with an installation schedule identifying the date, time, and location within the scheduling deadlines set forth in RFP No. 3592, or as may be agreed to by the parties.

**5.2** During the project initiation, Seller and Purchaser will develop a mutually agreed upon project plan including the division of responsibility between Purchaser's staff and Seller's staff. It is understood by the parties that the project work plan must be in place prior to any other work being performed. Once this mutually agreed upon project plan, which will identify specific time frames and deliverable target dates for this project, has been developed, it will be incorporated into and made a part of this Agreement. The dates in the project plan will define the agreed upon period of performance. The parties acknowledge that the project plan will evolve and change from time to time upon the mutual written agreement of both parties. The parties agree that the deliverables and schedule set forth in the latest version of the project plan will take precedence over any prior plans.

**5.3** Seller shall provide all documentation for the software being tested before acceptance testing will begin. Purchaser shall have ten (10) business days to review each deliverable and to either notify Seller of acceptance or to provide Seller a detailed list of deficiencies that must be remedied prior to payment being made. In the event the Purchaser notifies the Seller of deficiencies, the Seller, at Seller's sole expense, shall correct such deficiencies within ten (10) business days, unless the Purchaser consents in writing to a longer period of time.

**5.4** Upon notification by Seller that the turnkey system has been fully implemented and is ready for final system acceptance testing, Purchaser shall have thirty (30) business days to evaluate and test the system to confirm that it performs without any defects and performs pursuant to the specifications set forth in RFP No. 3592 and the Seller's Proposal in response thereto. Seller shall participate, as agreed upon by both parties, in the acceptance testing of the system by providing technical staff at Purchaser's location to provide assistance in demonstrating all functions of the system. The Purchaser's official representative must sign off on each application to ensure that the applications meet the functional and technical requirements. In the event that one (1) or more applications supplied by Seller are not accepted, the Seller shall correct the deficiencies or provide at its own expense whatever software that may be required to meet the acceptance criteria within ten (10) business days or a mutually agreed upon time period. In the event the system fails to perform to Purchaser's satisfaction, Purchaser shall immediately notify Seller. Seller, at Seller's sole expense, shall correct defects identified by Purchaser within ten (10) business days, or such other period as the parties may agree upon. The thirty (30) business day testing period will be extended by system down-time. In the event Seller is unable to repair or replace the defective software, the Purchaser reserves the right to return defective software to Seller at Seller's expense and to cancel this Agreement.

**5.5** Acceptance testing is complete when the Purchaser has successfully completed all acceptance test criteria defined in the Acceptance Test Plan, as well as other ad hoc testing as defined by the Purchaser; all critical defects have been corrected and successfully re-tested by the Purchaser; and the Purchaser has been able to emulate ten (10) consecutive successful iterations of processing cycles, as defined by the Purchaser, without error. These completion criteria are independent of the thirty (30) business day test period.

## **ARTICLE 6 SOFTWARE LICENSE AND TERMS**

**6.1** Seller shall furnish the software to Purchaser as set forth in purchase orders submitted and executed by Purchaser and shall acquire the right to license the software to Purchaser. For purposes of this Article, the term "Purchaser" means the Mississippi State Tax Commission, its employees, and any third party consultants or outsourcers engaged by Purchaser who have a need to know and who shall be bound by the terms and conditions of this license and Agreement.



**6.2** Seller accepts sole responsibility for: (a) Purchaser's system configuration, design, and requirements; (b) the selection of the software to achieve Purchaser's intended results; (c) the results obtained from the software; and (d) modifications, changes, or alterations to the software provided by Seller.

**6.3** Seller understands and agrees that Purchaser shall have: (a) a non-exclusive, non-transferable, enterprise-wide unlimited, and perpetual license for the software listed in Exhibit A; (b) the right to use and customize the software products and the related documentation for Purchaser's business operations in accordance with the terms and conditions of this Agreement; (c) unlimited use by licensed users of the software products acquired for Purchaser's operations; (d) use of such software products with a backup platform system, should it be deemed necessary by Purchaser; (e) the right to copy such software for safekeeping, backup, and disaster recovery purposes; (f) the right to combine the software with other programs and modules and the right to create interfaces to other programs; and (g) the right to reproduce any and all physical documentation supplied under the terms of this Agreement.

**6.4** Purchaser agrees that, except as noted herein, it will not otherwise copy, translate, modify, adapt, decompile, disassemble, or reverse engineer any of the software without the prior written consent of Seller. All title and proprietary rights, whether tangible or intangible, including but not limited to copyright, trademark, and trade secret rights, in and to the software are retained by the Seller or the third party software manufacturer as applicable. Purchaser agrees to reproduce and include the copyright, trademark, and other proprietary rights notices on any copies made of the software and documentation.

## **ARTICLE 7 CONVERSION AND TRAINING**

Seller shall, for the fees specified in the attached Exhibit A, provide the conversion activities as well as the training specified in RFP No. 3592 and Seller's Proposal, as accepted by Purchaser, in response thereto. Seller and Purchaser shall mutually agree on the time for the training and an outline of the training to be provided. Seller specifically understands and agrees that Purchaser will not accept the system until Seller completes the conversion and training requirements. Seller agrees to provide, upon delivery, all user documentation and technical manuals needed to fully acquaint the user with operation of the software.

## **ARTICLE 8 CONSIDERATION AND METHOD OF PAYMENT**

**8.1** Except as provided in the Change Order Rate and Procedure Article of this Agreement, the total compensation to be paid to the Seller by the Purchaser shall not exceed the fixed price of **\$INSERT AMOUNT** for all software, products, services, travel, performances and expenses under this Agreement, payable as described in Exhibit A, unless prior written authorization from ITS has been obtained. Authorization of payments is subject to the written approval of the Purchaser.

**8.2** The Seller and the Purchaser agree to the Deliverable Schedule as set forth in the Payment Schedule and Deliverables List included as Exhibit A to this Agreement. The Seller will receive payment in the amount indicated in Article 8.1 herein, less retainage to be withheld in accordance with the Retainage Article herein, upon written acceptance by the Purchaser of each of the deliverables defined therein. The parties agree that as the project work plan is revised by written agreement of the parties during the term of this Agreement, the anticipated dates for acceptance of deliverables and for the corresponding payments to the Seller, but not the amounts of those payments, may likewise be revised only by written agreement of the parties.

**8.3** Upon written acceptance, as set forth in Article 5 herein, by the Purchaser of a deliverable which has an associated payment, the Seller will invoice the Purchaser for the invoice amount of that payment as indicated in the attached Exhibit A, less retainage to be withheld in accordance with the Retainage Article herein. Seller shall certify that the billing is true and correct. Seller shall submit invoices and supporting documentation to Purchaser electronically during the term of this Agreement using the processes and procedures identified by the State. Purchaser agrees to pay Seller in accordance with Mississippi law on "Timely Payments for Purchases by Public Bodies," Sections 31-7-301, et seq. of the 1972 Mississippi Code Annotated, as amended, which generally provides for payment of undisputed amounts by the State within forty-five (45) days of receipt of the invoice. Seller understands and agrees that Purchaser is exempt from the payment of taxes. All payments should be made in United States currency. Payments by state agencies using the Statewide Automated Accounting System ("SAAS") shall be made and remittance information provided electronically as directed by the State. These payments by SAAS agencies shall be deposited into the bank account of the Seller's choice. No payment, including final payment, shall be construed as acceptance of defective products or incomplete work, and the Seller shall remain responsible and liable for full performance in strict compliance with the contract documents specified in the article herein titled "Entire Agreement."

**8.4** Acceptance by the Seller of the last payment from the Purchaser shall operate as a release of all claims against the State by the Seller and any subcontractors or other persons supplying labor or materials used in the performance of the work under this Agreement.

## **ARTICLE 9 WARRANTIES**

**9.1** Seller represents and warrants that all software and services provided by Seller shall meet or exceed the minimum specifications set forth in RFP No. 3592 and Seller's Proposal in response thereto.

**9.2** Seller represents and warrants that Seller has the right to license the software provided under this Agreement.

**9.3** Seller represents and warrants that all software furnished will be free from material defects for a period of **INSERT WARRANTY PERIOD** after final acceptance of the complete system and will provide Purchaser complete functionality necessary for the operation of the system as stated in RFP No. 3592 and the Seller's Proposal in response thereto. This warranty shall cover all components of the system, including but not limited to all programs, screens, reports, subroutines, utilities, file structures, documentation, interfaces, or other items provided by the Seller. This warranty will apply to the base package plus any customized programs, screens, reports, subroutines, interfaces, utilities, file structures, documentation, or other items proposed and delivered by the Seller specifically for this project. The Seller shall give immediate high priority attention to any mission critical corrections that are needed. If the software does not function accordingly, Seller shall, within five (5) business days and at no cost to Purchaser, correct the defects identified, or replace the software with software that is compliant with this warranty. In the event Seller cannot repair or replace the software, Seller shall at the State's election, either refund the fees paid for the software and for any services that directly relate to the defective software, or secure alternate software, acceptable to the Purchaser which will insure functionality of the system.

**9.4** Seller represents and warrants that the turnkey system is fit for the particular purpose set forth in this Agreement and RFP No. 3592 with regard to Purchaser's foreseeable or projected needs.

**9.5** Seller represents and warrants that it has and will obtain and pass through to Purchaser any and all warranties obtained or available from the licensor of software supplied to Seller.

**9.6** Seller represents and warrants that all work performed hereunder, including but not limited to consulting, conversion, training, technical support, and maintenance, shall be performed by competent personnel, shall be of professional quality consistent with generally accepted industry standards for the performance of such services, and shall comply in all respects with the requirements of this Agreement. For any breach of this warranty, the Seller shall, for a period of ninety (90) days from the performance of service, perform the services again at no cost to the Purchaser, or if the Seller is unable to perform the services as warranted, the Seller shall reimburse the Purchaser the fees paid to the Seller for the unsatisfactory services.

**9.7** Seller represents and warrants that there is no disabling code or a lockup program or device embedded in the software provided to Purchaser. Seller further agrees that it will not under any circumstances, including enforcement of a valid contract right, (a) install or trigger a lockup program or device, or (b) take any step which would in any manner interfere with Purchaser's use of the software and/or which would restrict Purchaser from accessing its data files or in any way interfere with the transaction of Purchaser's business. For any breach of this

warranty, Seller, at its expense, shall, within five (5) business days after receipt of notification of the breach, deliver Products to Purchaser that are free of such disabling code or a lockup program or device.

**9.8** Seller represents and warrants that the software, as delivered to Purchaser, does not contain a computer virus. For any breach of this warranty, Seller, at its expense, shall, within five (5) business days after receipt of notification of the breach, deliver Products to Purchaser that are free of any virus and shall be responsible for repairing, at Seller's expense, any and all damage done by the virus to Purchaser's site.

**9.9** Seller represents and warrants that upon completion of the project the Seller and all subcontractors shall convey to Purchaser copies of all interim reports, data collection forms, and any working papers that support the final acceptance of the system.

**9.10** Seller represents and warrants that it presently has and will continue to maintain, at its own expense, throughout the term of this Agreement, valid licenses for all software, trademarks, service marks, patents and copyrighted material and any other proprietary information of a third party that it will deploy in support of all products Seller uses in the performance of this Agreement. Seller further represents and warrants that upon Purchaser's request, Seller shall pass through such licenses to Purchaser at no cost to Purchaser. In the event the licenses are passed through to Purchaser, such licenses shall name the Purchaser as the license holder of record and such licenses shall be established in such a manner so as to survive the termination/expiration of this Agreement. For any breach of the preceding warranty, Seller at its own expense shall within five (5) business days after receipt of notification of the breach, secure and/or pass through, as applicable, the necessary licenses. Failure of the Seller to secure and/or pass through such licenses to Purchaser shall be considered a material breach of this Agreement and the Purchaser may, at its sole discretion, pursue its rights as set forth in the Termination Article herein and any other rights and remedies it may have at law or in equity.

**9.11** Seller represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act, Section 71-11-1, et seq. of the Mississippi Code Annotated (Supp2008), and will register and participate in the status verification system for all newly hired employees. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Seller agrees to maintain records of such compliance and, upon request of the State, to provide a copy of each such verification to the State. Seller further represents and warrants that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration

laws of the State of Mississippi. Seller understands and agrees that any breach of these warranties may subject Seller to the following: (a) termination of this Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/termination being made public, or (b) the loss of any license, permit, certification or other document granted to Seller by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. In the event of such termination/cancellation, Seller would also be liable for any additional costs incurred by the State due to contract cancellation or loss of license or permit.

**9.12** Seller represents and warrants that the system provided pursuant to this Agreement will pass both internal security audits and independent security audits. For any breach of the preceding warranty at any time during which the system is covered by warranty, maintenance and/or support, Seller shall, at its own expense and at no cost to Purchaser, remediate any defect, anomaly or security vulnerability in the system by repairing and/or replacing any and all components of the system necessary in order for the system to be secure.

**9.13** Seller represents and warrants that no official or employee of Purchaser or of ITS, and no other public official of the State of Mississippi who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the project shall, prior to the completion of said project, voluntarily acquire any personal interest, direct or indirect, in this Agreement. The Seller warrants that it has removed any material conflict of interest prior to the signing of this Agreement, and that it shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its responsibilities under this Agreement. The Seller also warrants that in the performance of this Agreement no person having any such known interests shall be employed.

**9.14** The Seller represents and warrants that no elected or appointed officer or other employee of the State of Mississippi, nor any member of or delegate to Congress has or shall benefit financially or materially from this Agreement. No individual employed by the State of Mississippi shall be admitted to any share or part of the Agreement or to any benefit that may arise therefrom. The State of Mississippi may, by written notice to the Seller, terminate the right of the Seller to proceed under this Agreement if it is found, after notice and hearing by the ITS Executive Director or his/her designee, that gratuities in the form of entertainment, gifts, jobs, or otherwise were offered or given by the Seller to any officer or employee of the State of Mississippi with a view toward securing this Agreement or securing favorable treatment with respect to the award, or amending or making of any determinations with respect to the performing of such contract, provided that the existence of the facts upon which the ITS Executive Director makes such findings shall be in issue and may be reviewed in any competent court. In the event this Agreement is terminated under this article, the State of Mississippi shall be entitled to pursue the same remedies against the Seller as it would pursue in the event of a

breach of contract by the Seller, including punitive damages, in addition to any other damages to which it may be entitled at law or in equity.

#### **ARTICLE 10 INFRINGEMENT INDEMNIFICATION**

Seller represents and warrants that neither the software, its elements, nor the use thereof violates or infringes on any copyright, patent, trademark, servicemark, trade secret, or other proprietary right of any person or entity. Seller, at its own expense, shall defend or settle any and all infringement actions filed against Seller or Purchaser which involves the software provided under this Agreement and shall pay all settlements, as well as all costs, attorney fees, damages, and judgment finally awarded against Purchaser. If the continued use of the products for the purpose intended is threatened to be enjoined or is enjoined by any court of competent jurisdiction, Seller shall, at its expense: (a) first procure for Purchaser the right to continue using such products, or upon failing to procure such right; (b) modify or replace them with non-infringing products while maintaining substantially similar software functionality or data/informational content, or upon failing to secure either such right; (c) refund to Purchaser the software license fees previously paid by Purchaser for the products Purchaser may no longer use. Said refund shall be paid within ten (10) business days of notice to Purchaser to discontinue said use.

#### **ARTICLE 11 SOFTWARE SUPPORT**

**11.1** Prior to expiration of the warranty period, Seller shall notify Purchaser in writing of the impending warranty expiration, and Purchaser shall in turn notify Seller of its decision to either obtain software support or to forgo it. Upon notification of intent to obtain software support, Seller shall provide Purchaser, for the annual fee specified in the attached Exhibit A, the software support services as herein described.

**11.2** Seller shall provide, for the periods set forth in Exhibit A, software support services as specified in RFP No. 3592 and Seller's Proposal, as accepted by Purchaser, in response thereto, with said support to include, but not be limited to, the following: (a) upon notification of software errors, Seller shall provide all remedial support and assistance needed to correct the errors which affect the operation of the software; (b) the provision of regular updates, new releases, and enhancements as they are released, but no less than one (1) annually; (c) unlimited toll-free technical telephone support in the operation of the software system twenty four (24) hours a day, seven (7) days a week, with a guaranteed one (1) hour telephone response time; priority placement in the support queue shall be given to all system locking situations or problems claimed by Purchaser to be a mission critical process; and (d) on-site support in the operation of the software products if reasonably convenient or necessary in the opinion of the Seller. Upon receipt of Purchaser's call, Seller will (a) create an error report, (b) assign a severity level and (c) attempt to resolve the software problem in accordance with the procedures and processes for problem resolution detailed below. It is understood by the parties that the Purchaser

and Seller must mutually agree on whether a software problem is classified as a Severity Level 1, 2, 3 or 4 software problem. It is further understood that in the event the software product lines are discontinued, Seller shall be responsible for supporting the last software release implemented by the Purchaser for a minimum of five (5) years thereafter, with the same level of support as described in this Article. Should Seller migrate away from the database currently required for the software installed for Purchaser to a different database, Seller shall provide updated product and new database licensing to Purchaser at no cost to Purchaser.

**11.3** Severity Level 1 implies that the software is not functioning. Some examples of Severity Level 1 software problems are as follows: (a) software is down and will not restart; (b) software is not able to communicate with external systems; and (c) software is generating a data corruption condition. Seller shall resolve Severity Level 1 software problems within one (1) business day, or within such other time frame as is mutually agreed upon by the parties. When a Severity Level 1 software problem is reported, Seller will assign resources necessary to correct the software problem. If access to the software is required, Purchaser will provide a contact available to Seller and access to Purchaser's system and other software for the duration of the error correction procedures.

**11.4** Severity Level 2 implies that (a) an essential function does not work as documented, or (b) testing and usage can continue but the task cannot be completed, and no workarounds exist. Severity Level 2 shall be defined as a critical software system component that has significant outages and/or failure precluding its successful operation, and possibly endangering the State's environment. The solution may operate but is severely restricted (e.g., a frequently used functionality gives an incorrect response.) Seller shall assign at least one (1) dedicated person to the problem and shall resolve Severity Level 2 software problems within two (2) business days, or within such other time frame as is mutually agreed upon by the parties.

**11.5** Severity Level 3 implies a software problem such that implementations of function do not match specification and/or technical documentation, and a workaround may exist. Severity Level 3 shall be defined as a minor problem that exists with the solution but the majority of the functions are still usable and some circumvention maybe required to provide service (e.g., an infrequently used functionality gives an incorrect response.) Seller shall resolve Severity Level 3 software problems within ten (10) business days, or within such other time frame as is mutually agreed upon by the parties.

**11.6** Severity Level 4 shall be defined as a very minor problem or question that does not affect the solution's function (e.g., the text of a message is worded poorly or misspelled) and a workaround does exist. Seller shall resolve Severity Level 4 software problems within fifteen (15) business days, or within such other time frame as is mutually agreed upon by the parties.

**11.7** Sixty (60) days prior to expiration of the initial software support period or any renewal term thereof, Seller shall notify Purchaser in writing of the impending expiration, and Purchaser shall have thirty (30) days in which to notify Seller of its decision to either renew or cancel any further software support. In no event shall the cost for software support increase by more than five percent (5%) per year.

## **ARTICLE 12 EMPLOYMENT STATUS**

**12.1** Seller shall, during the entire term of this Agreement, be construed to be an independent contractor. Nothing in this Agreement is intended to nor shall it be construed to create an employer-employee relationship or a joint venture relationship.

**12.2** Seller represents that it is qualified to perform the duties to be performed under this Agreement and that it has or will secure, if needed, at its own expense, applicable personnel who shall be qualified to perform the duties required under this Agreement. Such personnel shall not be deemed in any way, directly or indirectly, expressly or by implication, to be employees of Purchaser. Seller shall pay, when due, all salaries and wages of its employees, and it accepts exclusive responsibility for the payment of federal income tax, state income tax, social security, unemployment compensation, and any other withholdings that may be required. Neither Seller nor employees of Seller are entitled to state retirement or leave benefits.

**12.3** Any person assigned by Seller to perform the services hereunder shall be the employee of Seller, who shall have the sole right to hire and discharge its employee. Purchaser may, however, direct Seller to replace any of its employees under this Agreement. If Seller is notified within the first eight (8) hours of assignment that the person is unsatisfactory, Seller will not charge Purchaser for those hours.

**12.4** It is further understood that the consideration expressed herein constitutes full and complete compensation for all services and performances hereunder and that any sum due and payable to Seller shall be paid as a gross sum with no withholdings or deductions being made by Purchaser for any purpose from said contract sum.

## **ARTICLE 13 BEHAVIOR OF EMPLOYEES/SUBCONTRACTORS**

Seller will be responsible for the behavior of all its employees and subcontractors while on the premises of any Purchaser location. Any employee or subcontractor acting in a manner determined by the administration of that location to be detrimental, abusive, or offensive to any of the staff will be asked to leave the premises and may be suspended from further work on the premises. All Seller employees and subcontractors who will be working at such locations to install or repair Products shall be covered by Seller's comprehensive general liability insurance policy.



#### **ARTICLE 14 MODIFICATION OR RENEGOTIATION**

This Agreement may be modified only by written agreement signed by the parties hereto, and any attempt at oral modification shall be void and of no effect. The parties agree to renegotiate the Agreement if federal and/or state revisions of any applicable laws or regulations make changes in this Agreement necessary.

#### **ARTICLE 15 AUTHORITY, ASSIGNMENT AND SUBCONTRACTS**

**15.1** In matters of proposals, negotiations, contracts, and resolution of issues and/or disputes, the parties agree that Seller represents all contractors, third parties, and/or subcontractors Seller has assembled for this project. The Purchaser is required to negotiate only with Seller, as Seller's commitments are binding on all proposed contractors, third parties, and subcontractors.

**15.2** Neither party may assign or otherwise transfer this Agreement or its obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld. Any attempted assignment or transfer of its obligations without such consent shall be null and void. This Agreement shall be binding upon the parties' respective successors and assigns.

**15.3** Seller must obtain the written approval of Purchaser before subcontracting any portion of this Agreement. No such approval by Purchaser of any subcontract shall be deemed in any way to provide for the incurrence of any obligation of Purchaser in addition to the total fixed price agreed upon in this Agreement. All subcontracts shall incorporate the terms of this Agreement and shall be subject to the terms and conditions of this Agreement and to any conditions of approval that Purchaser may deem necessary.

**15.4** Seller represents and warrants that any subcontract agreement Seller enters into shall contain a provision advising the subcontractor that the subcontractor shall have no lien and no legal right to assert control over any funds held by the Purchaser, that the subcontractor acknowledges that no privity of contract exists between the Purchaser and the subcontractor, and that the Seller is solely liable for any and all payments which may be due to the subcontractor pursuant to its subcontract agreement with the Seller. The Seller shall indemnify and hold harmless the State from and against any and all claims, demands, liabilities, suits, actions, damages, losses, costs, and expenses of every kind and nature whatsoever arising as a result of Seller's failure to pay any and all amounts due by Seller to any subcontractor, materialman, laborer, or the like.

**15.5** All subcontractors shall be bound by any negotiation, arbitration, appeal, adjudication, or settlement of any dispute between the Seller and the Purchaser, where such dispute affects the subcontract.

#### **ARTICLE 16 AVAILABILITY OF FUNDS**

It is expressly understood and agreed that the obligation of Purchaser to proceed under this Agreement is conditioned upon the appropriation of funds by the Mississippi State Legislature and the receipt of state and/or federal funds for the performances required under this Agreement. If the funds anticipated for the fulfillment of this Agreement are not forthcoming or are insufficient, either through the failure of the federal government to provide funds or of the State of Mississippi to appropriate funds, or if there is a discontinuance or material alteration of the program under which funds were available to Purchaser for the payments or performance due under this Agreement, Purchaser shall have the right to immediately terminate this Agreement without damage, penalty, cost, or expense to Purchaser of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination. Purchaser shall have the sole right to determine whether funds are available for the payments or performances due under this Agreement.

#### **ARTICLE 17 TERMINATION**

Notwithstanding any other provision of this Agreement to the contrary, this Agreement may be terminated, in whole or in part, as follows: (a) upon the mutual, written agreement of the parties; (b) by Purchaser, without the assessment of any penalties, upon thirty (30) days written notice to Seller, if Seller becomes the subject of bankruptcy, reorganization, liquidation, or receivership proceedings, whether voluntary or involuntary; (c) by Purchaser, without the assessment of any penalties, for any reason after giving thirty (30) days written notice specifying the effective date thereof to Seller; or (d) by either party in the event of a breach of a material term or provision of this Agreement where such breach continues for thirty (30) days after the breaching party receives written notice from the other party. Upon termination, Purchaser will be entitled to a refund of applicable unexpended prorated annual software support fees/charges, if any. In the event of termination, Seller shall be paid for satisfactory work completed or services rendered by Seller in connection with this Agreement and accepted by Purchaser as of the date of receipt of notification of termination. In no case shall said compensation exceed the total contract price. The provisions of this Article do not limit either party's right to pursue any other remedy available at law or in equity.

#### **ARTICLE 18 GOVERNING LAW**

This Agreement shall be construed and governed in accordance with the laws of the State of Mississippi, and venue for the resolution of any dispute shall be Jackson, Hinds County, Mississippi. Seller expressly agrees that under no circumstances shall Purchaser or ITS be obligated to pay an attorney's fee, prejudgment interest, or the cost of legal action to Seller. Further, nothing in this Agreement shall affect any statutory rights Purchaser may have that cannot be waived or limited by contract.

#### **ARTICLE 19 WAIVER**

Failure of either party hereto to insist upon strict compliance with any of the terms, covenants, and conditions hereof shall not be deemed a waiver or relinquishment of any similar right or power hereunder at any subsequent time or of any other provision hereof, nor shall it be construed to be a modification of the terms of this Agreement. A waiver by the State, to be effective, must be in writing, must set out the specifics of what is being waived, and must be signed by an authorized representative of the State.

#### **ARTICLE 20 SEVERABILITY**

If any term or provision of this Agreement is prohibited by the laws of the State of Mississippi or declared invalid or void by a court of competent jurisdiction, the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law, provided that the State's purpose for entering into this Agreement can be fully achieved by the remaining portions of the Agreement that have not been severed.

#### **ARTICLE 21 CAPTIONS**

The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provision or section of this Agreement.

#### **ARTICLE 22 HOLD HARMLESS**

To the fullest extent allowed by law, Seller shall indemnify, defend, save and hold harmless, protect, and exonerate Purchaser, ITS and the State, its Board Members, officers, employees, agents, and representatives from and against any and all claims, demands, liabilities, suits, actions, damages, losses, costs, and expenses of every kind and nature whatsoever, including, without limitation, court costs, investigative fees and expenses, attorney fees, and claims for damages arising out of or caused by Seller and/or its partners, principals, agents, employees, or subcontractors in the performance of or failure to perform this Agreement.

#### **ARTICLE 23 THIRD PARTY ACTION NOTIFICATION**

Seller shall notify Purchaser in writing within five (5) business days of Seller filing bankruptcy, reorganization, liquidation or receivership proceedings or within five (5) business days of its receipt of notification of any action or suit being filed or any claim being made against Seller or Purchaser by any entity that may result in litigation related in any way to this Agreement and/or which may affect the Seller's performance under this Agreement. Failure of the Seller to provide such written notice to Purchaser shall be considered a material breach of this Agreement and the Purchaser may, at its sole discretion, pursue its rights as set forth in the Termination Article herein and any other rights and remedies it may have at law or in equity.

#### **ARTICLE 24 AUTHORITY TO CONTRACT**

Seller warrants that it is a validly organized business with valid authority to enter into this Agreement, that entry into and performance under this Agreement is not restricted or prohibited

by any loan, security, financing, contractual, or other agreement of any kind, and notwithstanding any other provision of this Agreement to the contrary, that there are no existing legal proceedings or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under this Agreement.

#### **ARTICLE 25 NOTICE**

Any notice required or permitted to be given under this Agreement shall be in writing and personally delivered or sent by electronic means, provided that the original of such notice is sent by certified United States mail, postage prepaid, return receipt requested, or overnight courier with signed receipt, to the party to whom the notice should be given at their business address listed herein. ITS' address for notice is: Mr. David L. Litchliter, Executive Director, Mississippi Department of Information Technology Services, 301 North Lamar Street, Suite 508, Jackson, Mississippi 39201. Purchaser's address for notice is: Ms. Alice Gorman, Deputy Commissioner, Mississippi State Tax Commission, 1577 Springridge Road, Raymond, Mississippi 39157. The Seller's address for notice is: **INSERT NAME, TITLE, & ADDRESS OF VENDOR PERSON FOR NOTICE**. Notice shall be deemed given when actually received or when refused. The parties agree to promptly notify each other in writing of any change of address.

#### **ARTICLE 26 RECORD RETENTION AND ACCESS TO RECORDS**

Seller shall establish and maintain financial records, supporting documents, statistical records and such other records as may be necessary to reflect its performance of the provisions of this Agreement. The Purchaser, ITS, any state or federal agency authorized to audit Purchaser, and/or any of their duly authorized representatives, shall have unimpeded, prompt access to this Agreement and to any of the Seller's proposals, books, documents, papers and/or records that are pertinent to this Agreement to make audits, copies, examinations, excerpts and transcriptions at the State's or Seller's office as applicable where such records are kept during normal business hours. All records relating to this Agreement shall be retained by the Seller for three (3) years from the date of receipt of final payment under this Agreement. However, if any litigation or other legal action, by or for the state or federal government has begun that is not completed at the end of the three (3) year period, or if an audit finding, litigation or other legal action has not been resolved at the end of the three (3) year period, the records shall be retained until resolution.

#### **ARTICLE 27 INSURANCE**

Seller represents that it will maintain workers' compensation insurance as prescribed by law, which shall inure to the benefit of Seller's personnel, as well as comprehensive general liability and employee fidelity bond insurance. Seller will, upon request, furnish Purchaser with a certificate of conformity providing the aforesaid coverage.

#### **ARTICLE 28 DISPUTES**

Any dispute concerning a question of fact under this Agreement, which is not disposed of by agreement of the Seller and Purchaser, shall be decided by the Executive Director of ITS or his/her designee. This decision shall be reduced to writing and a copy thereof mailed or furnished to the parties. Disagreement with such decision by either party shall not constitute a breach under the terms of this Agreement. Such disagreeing party shall be entitled to seek such other rights and remedies it may have at law or in equity.

#### **ARTICLE 29 COMPLIANCE WITH LAWS**

Seller shall comply with and all activities under this Agreement shall be subject to all Purchaser policies and procedures and all applicable federal, state, and local laws, regulations, policies, and procedures as now existing and as may be amended or modified. Specifically, but not limited to, Seller shall not discriminate against any employee nor shall any party be subject to discrimination in the performance of this Agreement because of race, creed, color, sex, age, national origin, or disability.

#### **ARTICLE 30 CONFLICT OF INTEREST**

Seller shall notify Purchaser of any potential conflict of interest resulting from the representation of or service to other clients. If such conflict cannot be resolved to Purchaser's satisfaction, Purchaser reserves the right to terminate this Agreement.

#### **ARTICLE 31 SOVEREIGN IMMUNITY**

By entering into this Agreement with Seller, the State of Mississippi does in no way waive its sovereign immunities or defenses as provided by law.

#### **ARTICLE 32 CONFIDENTIAL INFORMATION**

**32.1** Seller shall treat all Purchaser data and information to which it has access by its performance under this Agreement as confidential and shall not disclose such data or information to a third party without specific written consent of Purchaser. In the event that Seller receives notice that a third party requests divulgence of confidential or otherwise protected information and/or has served upon it a subpoena or other validly issued administrative or judicial process ordering divulgence of such information, Seller shall promptly inform Purchaser and thereafter respond in conformity with such subpoena to the extent mandated by state and/or federal laws, rules, and regulations. This Article shall survive the termination or completion of this Agreement, shall continue in full force and effect, and shall be binding upon the Seller and its agents, employees, successors, assigns, subcontractors, or any party or entity claiming an interest in this Agreement on behalf of or under the rights of the Seller, following any termination or completion of this Agreement.

**32.2** With the exception of any attached exhibits which are labeled as "confidential", the parties understand and agree that this Agreement, including any amendments and/or change

orders thereto, does not constitute confidential information, and may be reproduced and distributed by the State without notification to Seller. ITS will provide third party notice to Seller of any requests received by ITS for any such confidential exhibits so as to allow Seller the opportunity to protect the information by court order as outlined in ITS Public Records Procedures.

### **ARTICLE 33 EFFECT OF SIGNATURE**

Each person signing this Agreement represents that he or she has read the Agreement in its entirety, understands its terms, is duly authorized to execute this Agreement on behalf of the parties, and agrees to be bound by the terms contained herein. Accordingly, this Agreement shall not be construed or interpreted in favor of or against the State or the Seller on the basis of draftsmanship or preparation hereof.

### **ARTICLE 34 OWNERSHIP OF DOCUMENTS AND WORK PRODUCTS**

All data, electronic or otherwise, collected by Seller and all documents, notes, programs, databases (and all applications thereof), files, reports, studies, and/or other material collected and prepared by Seller in connection with this Agreement, whether completed or in progress, shall be the property of Purchaser upon completion of this Agreement or upon termination of this Agreement. Purchaser hereby reserves all rights to the databases and all applications thereof and to any and all information and/or materials prepared in connection with this Agreement. Seller is prohibited from use of the above described information and/or materials without the express written approval of Purchaser.

### **ARTICLE 35 NON-SOLICITATION OF EMPLOYEES**

Seller agrees not to employ or to solicit for employment, directly or indirectly, any of the Purchaser's employees until at least one (1) year after the expiration/termination of this Agreement, unless mutually agreed to the contrary in writing by the Purchaser and the Seller, and provided that such an agreement between these two entities is not a violation of the laws of the State of Mississippi or the federal government.

### **ARTICLE 36 ENTIRE AGREEMENT**

**36.1** This Agreement constitutes the entire agreement of the parties with respect to the subject matter contained herein and supersedes and replaces any and all prior negotiations, understandings, and agreements, written or oral, between the parties relating hereto, including all terms of any unsigned or "shrink-wrap" license included in any package, media, or electronic version of Seller-furnished software, or any "click-wrap" or "browse-wrap" license presented in connection with a purchase via the Internet. The RFP No. 3592 and Seller's Proposal in response thereto are hereby incorporated into and made a part of this Agreement.

**36.2** The Agreement made by and between the parties hereto shall consist of and precedence is hereby established by the order of the following:

- A.** This Agreement signed by both parties;
- B.** Any exhibits attached to this Agreement;
- C.** RFP No. 3592 and written addenda; and
- D.** Seller's Proposal, as accepted by Purchaser, in response to RFP No. 3592.

**36.3** The intent of the above listed documents is to include all items necessary for the proper execution and completion of the services by the Seller. The documents are complementary, and what is required by one shall be binding as if required by all. A higher order document shall supersede a lower order document to the extent necessary to resolve any conflict or inconsistency arising under the various provisions thereof, provided, however, that in the event an issue is addressed in one of the above mentioned documents but is not addressed in another of such documents, no conflict or inconsistency shall be deemed to occur by reason thereof. The documents listed above are shown in descending order of priority, that is, the highest document begins with the first listed document ("A. This Agreement") and the lowest document is listed last ("D. Seller's Proposal").

#### **ARTICLE 37 STATE PROPERTY AND LOCATION OF WORK**

**37.1** Seller shall be responsible for the proper custody of any Purchaser-owned property furnished for Seller's use in connection with work performed pursuant to this Agreement. Seller shall reimburse the Purchaser for any loss or damage, normal wear and tear excepted.

**37.2** All work provided in connection with this contract will be required to be performed on-site in the Purchaser's offices in Raymond, Mississippi, unless written approval is received from the State. Seller accepts full responsibility for all problems arising out of a decision to perform off-site work.

#### **ARTICLE 38 SURVIVAL**

Articles 9, 10, 18, 22, 26, 31, 32, 34, 35, and all other articles, which by their express terms so survive or which should so reasonably survive, shall survive any termination or expiration of this Agreement.

#### **ARTICLE 39 DEBARMENT AND SUSPENSION CERTIFICATION**

Seller certifies that neither it nor its principals: (a) are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency; (b) have, within a three (3) year period preceding this Agreement, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public

(federal, state, or local) transaction or contract under a public transaction; violation of federal or state anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; (c) are presently indicted of or otherwise criminally or civilly charged by a governmental entity with the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and (d) have, within a three (3) year period preceding this Agreement, had one or more public transactions (federal, state, or local) terminated for cause or default.

#### **ARTICLE 40 NETWORK SECURITY**

Seller and Purchaser understand and agree that the State of Mississippi's Enterprise Security Policy mandates that all remote access to and/or from the State network must be accomplished via a Virtual Private Network (VPN). If remote access is required at any time during the life of this Agreement, Seller and Purchaser agree to implement/maintain a VPN for this connectivity. This required VPN must be IPSec-capable (ESP tunnel mode) and will terminate on a Cisco VPN-capable device (i.e. VPN concentrator, PIX firewall, etc.) on the State's premises. Seller agrees that it must, at its expense, implement/maintain a compatible hardware/software solution to terminate the specified VPN on the Seller's premises. The parties further understand and agree that the State protocol standard and architecture are based on industry-standard security protocols and manufacturer engaged at the time of contract execution. The State reserves the right to introduce a new protocol and architecture standard and require the Seller to comply with same in the event the industry introduces a more secure, robust protocol to replace IPSec/ESP and/or there is a change in the manufacturer engaged.

#### **ARTICLE 41 STATUTORY AUTHORITY**

By virtue of Section 25-53-21 of the Mississippi Code Annotated, as amended, the Executive Director of ITS is the purchasing and contracting agent for the State of Mississippi in the negotiation and execution of all contracts for the acquisition of information technology equipment, software, and services. The parties understand and agree that ITS as contracting agent is not responsible or liable for the performance or non-performance of any of Purchaser's or Seller's contractual obligations, financial or otherwise, contained within this Agreement.

#### **ARTICLE 42 CHANGE ORDER RATE AND PROCEDURE**

**42.1** It is understood that the State may, at any time, by a written order, make changes in the scope of the project. No changes in scope are to be conducted or performed by the Seller except by the express written approval of the State. The Seller shall be obligated to perform all changes requested by the Purchaser which have no price or schedule effect.



**42.2** The Seller shall have no obligation to proceed with any change that has a price or schedule effect until the parties have mutually agreed in writing thereto. Neither the State nor the Seller shall be obligated to execute such a change order; if no such change order is executed, the Seller shall not be obliged or authorized to perform services beyond the scope of this Agreement and the contract documents. All executed change orders shall be incorporated into previously defined deliverables.

**42.3** With respect to any change orders issued in accordance with this Article, the Seller shall be compensated for work performed under a change order according to the hourly change order rate specified in Exhibit A, which is incorporated herein. If there is a service that is not defined in the change order rate, the Seller and the State will negotiate the rate. The Seller agrees that each change order rate shall be a “fully loaded” rate, that is, it includes the cost of all materials, travel expenses, per diem, and all other expenses and incidentals incurred by the Seller in the performance of the change order. The Seller shall invoice the Purchaser upon acceptance by the Purchaser of all work documented in the change order, and the Purchaser shall pay invoice amounts on the terms set forth in this Agreement.

**42.4** Upon agreement of the parties to enter into a change order, the parties will execute such a change order setting forth in reasonable detail the work to be performed thereunder, the revisions necessary to the specifications or performance schedules of any affected project work plan, and the estimated number of professional services hours that will be necessary to implement the work contemplated therein. The price of the work to be performed under any change order will be determined based upon the change order rate; however, the change order will be issued for a total fixed dollar amount and may not be exceeded regardless of the number of hours actually expended by the Seller to complete the work required by that change order. The project work plan will be revised as necessary.

**42.5** The Seller will include in the progress reports delivered under this Agreement the status of work performed under all then current change orders.

**42.6** In the event the Seller and the State enter into a change order which increases or decreases the time required for the performance of any part of the work under this Agreement, the Seller shall submit to the Purchaser a revised version of the project work plan clearly indicating all changes at least five (5) business days prior to implementing any such changes.

**42.7** The Purchaser shall promptly review all revised project work plans submitted under this Agreement and shall notify the Seller of its approval or disapproval, in whole or in part, of the proposed revisions, stating with particularity all grounds for any disapproval, within ten (10) business days of receiving the revisions from the Seller. If the Purchaser fails to respond in such

time period or any extension thereof, the Purchaser shall be deemed to have approved the revised project work plan.

#### **ARTICLE 43 RETAINAGE**

To secure the Seller's performance under this Agreement, the Seller agrees that the Purchaser shall hold back as retainage fifteen percent (15%) of each amount payable, including amounts payable under Change Orders, under this Agreement. The retainage amount will continue to be held until final acceptance of the system by the State and the expiration of the warranty period.

#### **ARTICLE 44 PERSONNEL ASSIGNMENT GUARANTEE**

Seller guarantees that the personnel assigned to this project will remain a part of the project throughout the duration of the Agreement, as long as the personnel are employed by the Seller and are not replaced by Seller pursuant to the third paragraph of the Article herein titled "Employment Status." Seller further agrees that the assigned personnel will function in the capacity for which their services were acquired throughout the life of the Agreement, and any failure by Seller to so provide these persons shall entitle the State to terminate this Agreement for cause. Seller agrees to pay the Purchaser fifty percent (50%) of the total contract amount if any of the assigned personnel is removed from the project prior to the ending date of the contract for reasons other than departure from Seller's employment or replacement by Seller pursuant to the third paragraph of the Article herein titled "Employment Status." Subject to the State's written approval, the Seller may substitute qualified persons in the event of the separation of the incumbents therein from employment with Seller or for other compelling reasons that are acceptable to the State and may assign additional staff to provide technical support to Purchaser. The replacement personnel shall have equal or greater ability, experience, and qualifications than the departing personnel and shall be subject to the prior written approval of the Purchaser. The Seller shall not permanently divert any staff member from meeting work schedules developed and approved under this Agreement, unless approved in writing by the Purchaser. In the event of Seller personnel loss or redirection, the services performed by the Seller shall be uninterrupted and the Seller shall report in required status reports its efforts and progress in finding replacements and the effect of the absence of those personnel.

#### **ARTICLE 45 LIQUIDATED DAMAGES**

It is agreed by the parties hereto that time is of the essence and that in the event of a delay in the delivery and installation deadlines or delay in the satisfactory completion and acceptance of the services provided for herein, damage shall be sustained by Purchaser. In the event of a delay as described herein, Seller shall pay Purchaser, within five (5) calendar days from the date of receipt of notice, fixed and liquidated damages of one thousand dollars (\$1,000.00) per day for each calendar day of delay caused by Seller. Purchaser may offset amounts due it as liquidated damages against any monies due Seller under this Agreement. Purchaser will notify Seller in writing of any claim for liquidated damages pursuant hereto on or before the date Purchaser

deducts such sums from money payable to Seller. Any liquidated damages assessed are in addition to and not in limitation of any other rights or remedies of Purchaser.

#### **ARTICLE 46 PERFORMANCE BOND**

As a condition precedent to the formation of this Agreement, the Seller must provide a performance bond as herein described. To secure the Seller's performance, the Seller shall procure, submit to the State with this executed Agreement, and maintain in effect at all times during the course of this Agreement a performance bond as stated herein: (a) for Year One, a performance bond in the amount of seventeen million five hundred thousand dollars (\$17,500,000.00); (b) for Year Two, a performance bond in the amount of ten million dollars (\$10,000,000.00); and (c) for Year Three through the completion of the project, a performance bond in the amount of seven million five hundred thousand dollars (\$7,500,000.00). The bond shall be accompanied by a duly authenticated or certified document evidencing that the person executing the bond is a licensed Mississippi agent for the bonding company. This certified document shall identify the name and address of the person or entity holding the performance bond and shall identify a contact person to be notified in the event the State is required to take action against the bond. The term of the performance bond shall be concurrent with the term of this Agreement, with the exception of post-warranty maintenance and support, and shall not be released to Seller until final acceptance of all products and deliverables required herein or until the warranty period, if any, has expired, whichever occurs last. If applicable, and at the State's sole discretion, the State may, at any time during the warranty period, review Seller's performance and performance of the products/services delivered and determine that the Seller's performance bond may be reduced or released prior to expiration of the full warranty period. The performance bond shall be procured at Seller's expense and be payable to the Purchaser. The cost of the bond may be invoiced to the Purchaser after project initiation only if itemized in the Seller's cost proposal and in the attached Exhibit A. Prior to approval of the performance bond, the State reserves the right to review the bond and require Seller to substitute an acceptable bond in such form as the State may reasonably require. The premiums on such bond shall be paid by Seller. The bond must specifically refer to this Agreement and shall bind the surety to all of the terms and conditions of this Agreement. If the Agreement is terminated due to Seller's failure to comply with the terms thereof, Purchaser may claim against the performance bond.

#### **ARTICLE 47 ESCROW OF SOURCE CODE**

**47.1** With the execution of this Agreement, the Seller shall place and maintain a current copy of the data dictionary, documentation, object code, and source code in escrow and shall furnish Purchaser with a copy of the escrow agreement and the name and address of the agent. The escrow agreement shall authorize the escrow agent to release, at no cost to Purchaser, the data dictionary, documentation, object code, and source code to Purchaser if and when the Purchaser is deemed to have a right under this Article. The Seller shall pay all costs of providing and maintaining the escrow agreement, including the fees of the escrow agent. The copy of the

source code placed in escrow shall be reproduced and maintained on magnetic tape or disk using a commonly accepted data recording protocol. Program documentation sufficient to allow a competent programmer to use and maintain the source code programs must accompany the source code. When a change is made to the object code or source code by or on behalf of the Seller during the term of the escrow agreement, the revised code, including the change, shall be delivered to the escrow agent not later than thirty (30) calendar days after the change is effected by or on behalf of the Seller.

**47.2** Provided that the Purchaser is not then in substantial default under this Agreement, the Seller shall provide to Purchaser, at no cost and within ten (10) calendar days after receipt of Purchaser's written request for it, one (1) complete copy of the data dictionary, documentation, object code, and source code used in the preparation of the software and custom modifications to the source code and object code as a result of this Agreement, brought up to date as of the date of delivery of such source code to Purchaser, upon the occurrence of any of the following events: (a) any or all material part of the source code or object code is generally made available, with or without additional cost, to other users of comparable software; or (b) the Seller's or the software manufacturer's cessation, for any reason, to do business; or (c) the Seller or the software manufacturer discontinues maintenance of the software; or (d) bankruptcy, receivership, insolvency, reorganization, dissolution, liquidation, or other similar proceedings are instituted by or against the Seller or the software manufacturer.

For the faithful performance of the terms of this Agreement, the parties have caused this Agreement to be executed by their undersigned representatives.

**State of Mississippi, Department of  
Information Technology Services, on  
behalf of Mississippi State Tax  
Commission**

**INSERT VENDOR NAME**

**By:** \_\_\_\_\_  
**Authorized Signature**

**By:** \_\_\_\_\_  
**Authorized Signature**

**Printed Name: David L. Litchliter**

**Printed Name:** \_\_\_\_\_

**Title: Executive Director**

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Mississippi State Tax Commission**

**By:** \_\_\_\_\_  
**Authorized Signature**

**Printed Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**EXHIBIT A**

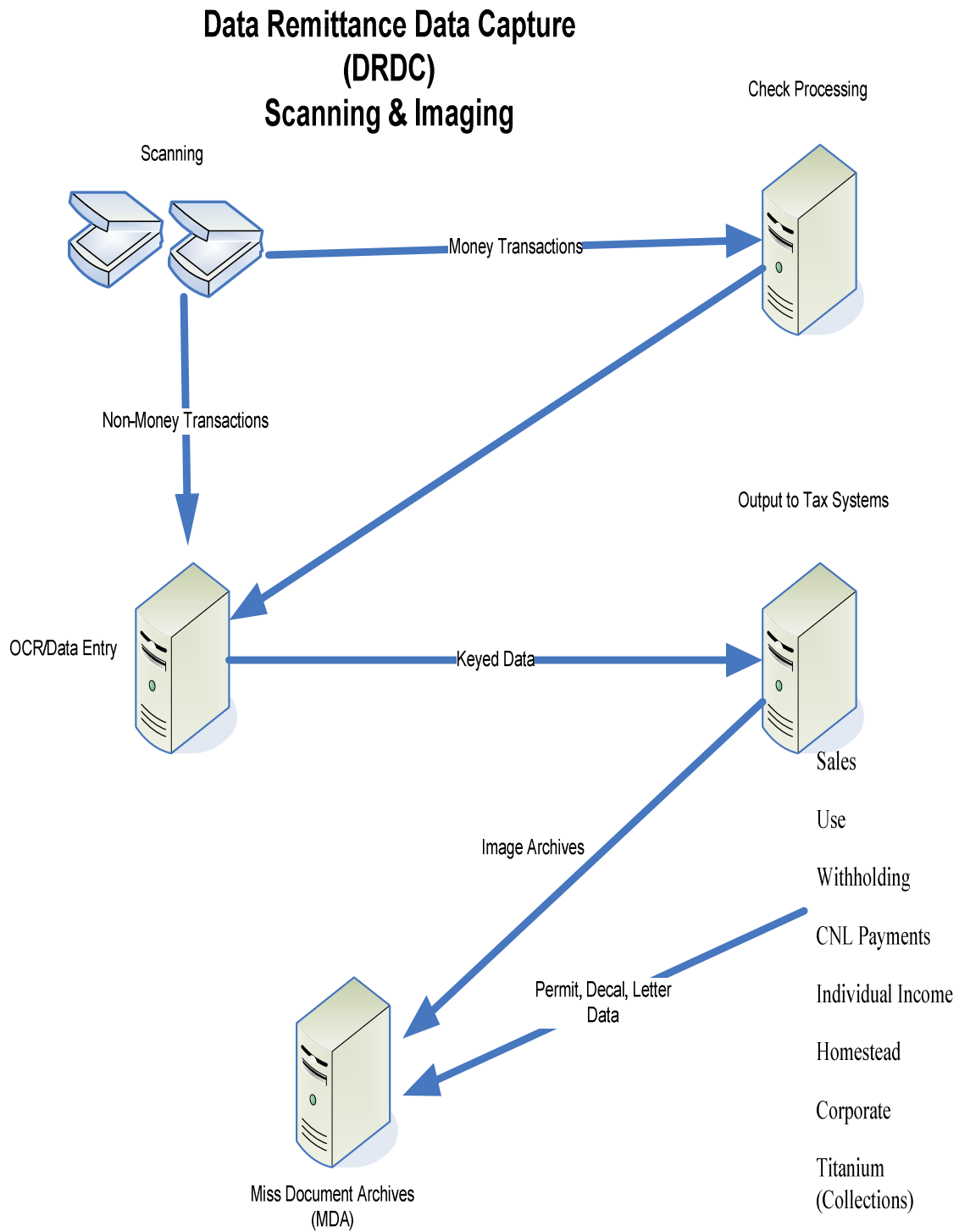
**ATTACHMENT B**  
**FUNCTIONAL REQUIREMENTS MATRIX**

See Excel Document Posted with RFP

**ATTACHMENT C**  
**ALCOHOLIC BEVERAGES CONTROL (ABC) REQUIREMENTS MATRIX**  
**(Optional Component)**

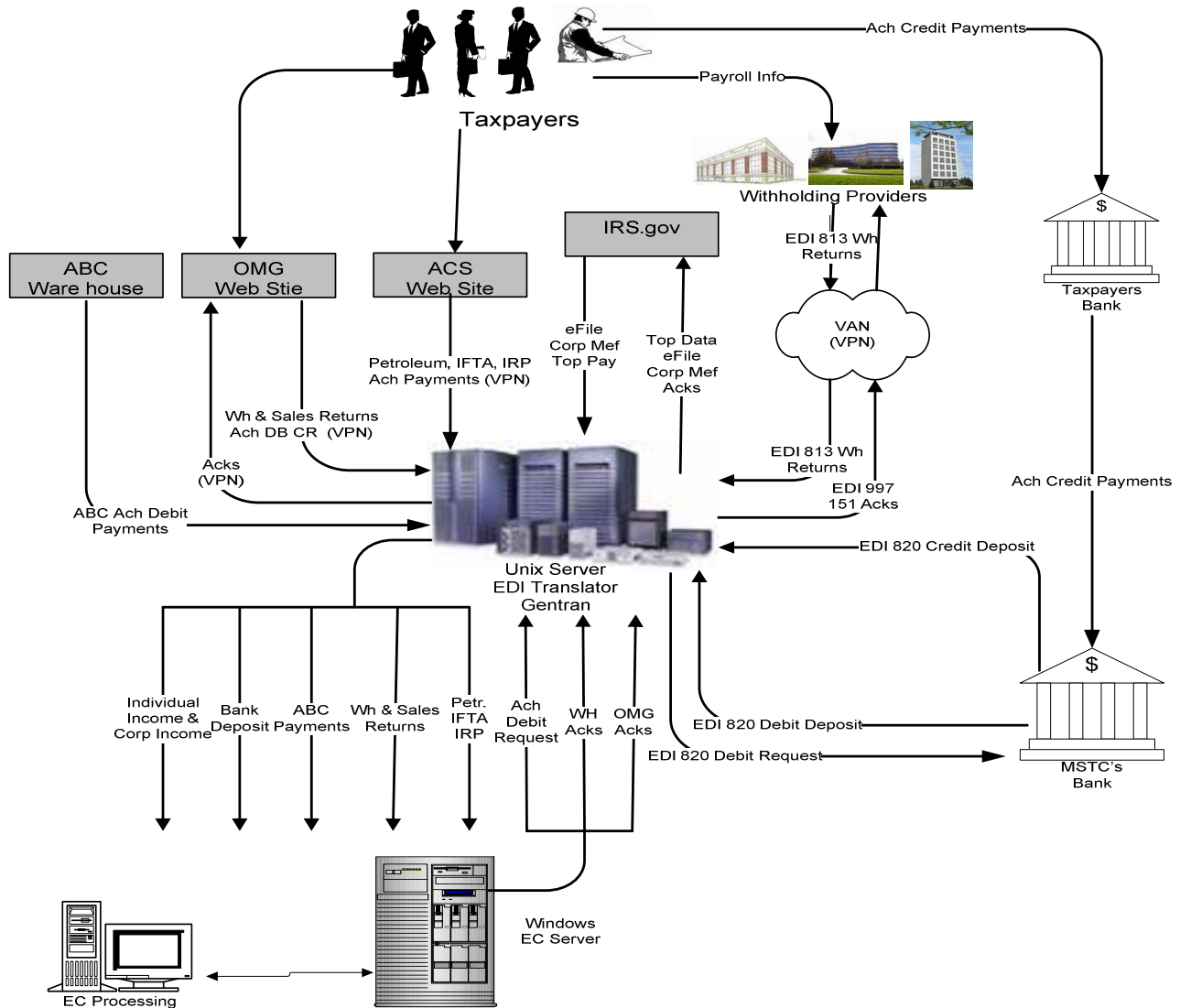
See Excel Document Posted with RFP





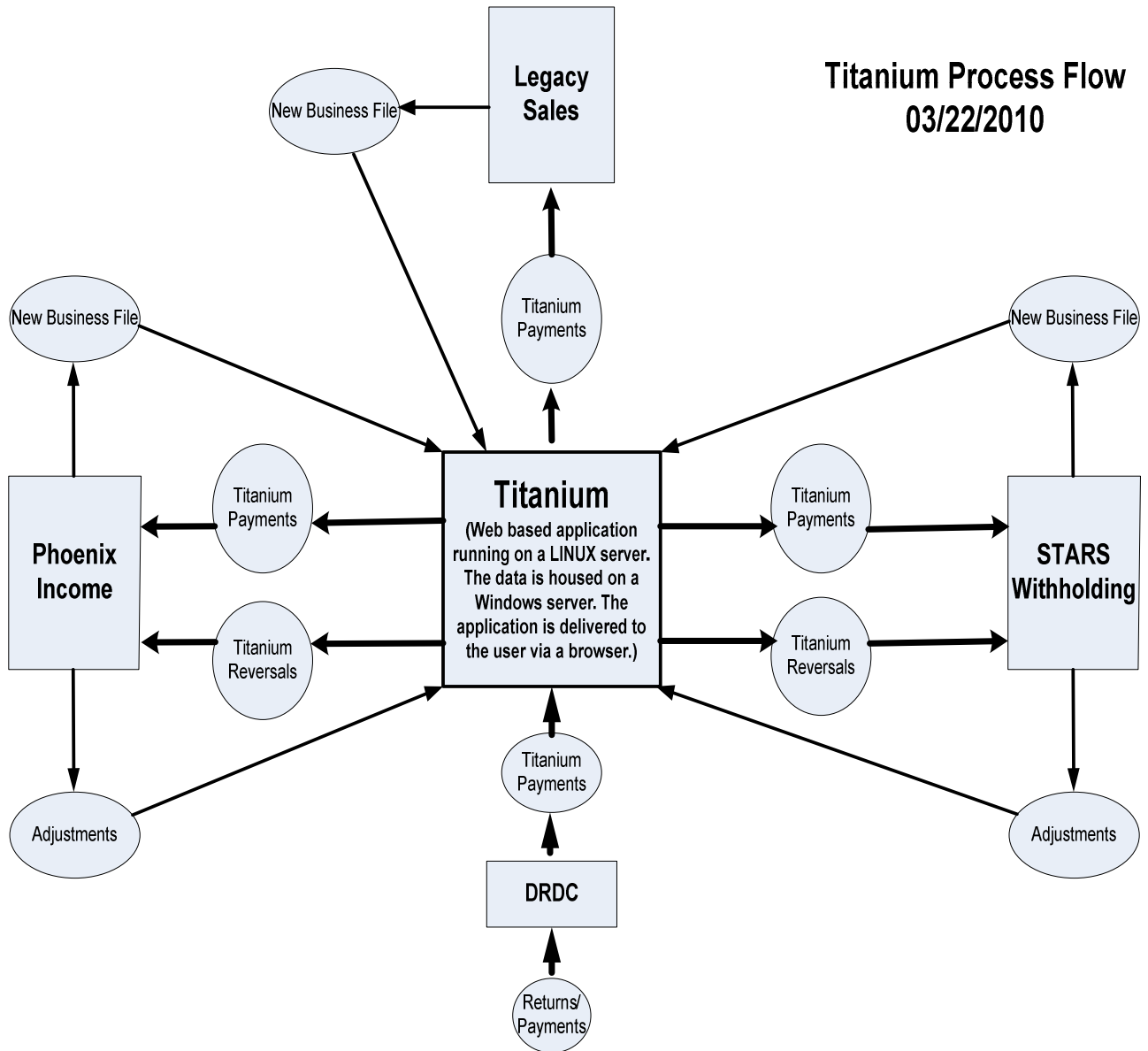
## ATTACHMENT D DRDC INTERFACE DIAGRAM

## EDI / EC Data Flows



## ATTACHMENT E EDI / EC DATA FLOW DIAGRAM 1

**Titanium Process Flow**  
**03/22/2010**



**ATTACHMENT F**  
**TITANIUM INTERFACE**

## ATTACHMENT G GLOSSARY OF TERMS

**BMF** – Business Master File - general information on business (corporation, partnership, s-corporation) income tax returns that were filed with the IRS.

**BRTF** – Business Return Transaction File - detailed information on each corporate return that was filed with the IRS.

**Business Rules** –The implementation in the proposed solution of the policies, practices, procedures and decision processes of the MSTC. A set of standard practices applied consistently to ensure comparability across multiple tax types and business processes. Business rules are in addition to rules for maintaining the domain and referential integrity of the Tax Management System; i.e., tax rates, filing frequencies, filing periods.

**CASS** – Coding Accuracy Support System, the certification process reviews address-matching software to make sure that it is accurate to the standards expected by USPS. The address quality of direct mailings affects the postal service's ability to deliver, and hence, the overall cost of your direct mailing campaign. CASS certification ensures the highest address accuracy and quality standards available to bulk mailers.

**Cheat Sheets** – Quick reference guide of processes and steps needed to perform a given task within the proposed solution.

**Configurable** – The solution has a well-defined business rule mapping of some sort to provide the adjustment of available features by configuration files or even by an external user interface that allows the standard software to be fitted for the MSTC without software manipulation or custom code being written.

**CP2000** - proposed changes to an income tax return. This proposal is based on a comparison of the income, payments, credits, and deductions reported on your tax return with information on these items reported to us by IRS from information received by them from employers, banks, businesses, and other payers.

**Data Captured** – Return and payment details presented to the tax management system that are expected to be saved in the database.

**Deficiencies** -- Errors and/or instances where the software falls short of meeting the defined and agreed upon requirements.

**Deliverables-based project** – Payments for the project are tied to pre-defined milestones and significant project deliverables. Proposed payments should be reflective of the amount of work required to produce the deliverable or complete the milestone.

**DFA** – Department of Finance and Administration – The state agency responsible for the financial

accounting of the state as a whole.

**District Office** – A regional office that provides taxpayer services in a defined area of the State. There are eight regional offices that serve as the post of duty for audit and collections staff members.

**DOR** – The Department of Revenue – The MSTC will have a formal name change effective July 1, 2010 to the Department of Revenue.

**DRDC** – Deposit Remittance Data Capture System – The front-end deposit and imaging system used by the MSTC that will need to interface to the proposed solution.

**FSET** – Federal State Employment Tax, provides convenient electronic filing and payment of federal and state quarterly employment taxes and wage reports including state withholding and unemployment taxes.

**Global Updates** – Updates available to the COTS solution that are applied to all business processes and locations where the solution is implemented as defined by certain business policies, procedures, and laws.

**GUI** – Graphic User Interface.

**IMF** - Individual Master File - General information on individual income tax returns that were filed with the IRS.

**Inappropriate system degradation** – Decreased product responsiveness indicated by performance issues; typically characterized by increased data growth and increased licensing usage.

**Initial Project Phases** – The early phases of the project when the project work plan is negotiated, the schedule is determined, analysis is performed and requirements are verified and finalized, the customized design document is delivered and the project structure and standards are defined.

**Installation Services** – The Vendor will install the proposed software solution on the proposed hardware with the site specific business rules in place. To include, but not limited to, database setup, file sizing, software retrofitting, installation of updated software releases, application table setup, etc.

**Integrated** – The proposed solution is united and interfaces across multiple tax types and multiple business process.

**Integrated Tax System** – denotes the comprehensive solution comprised of an integrated Tax Management system, Internet Taxpayer Service Center and the Data Warehouse.

**IRS** – Internal Revenue Service.

**IRTF** - Individual Return Transaction File - detailed information from each individual return filed with the IRS.

**ITS** – State of Mississippi Department of Information Technology Services – The Department provides statewide leadership and services that facilitate cost-effective information processing and telecommunication solutions for agencies and institutions. **ITS** facilitates effective planning, deployment, and operation of information technologies for Mississippi State Government.

**Key roles** – Vendor personnel assigned as project leaders, technical and functional that will be onsite gathering rules and implementing in the COTS software. Examples of Key roles include, but are not limited to, the project manager, technical lead, functional lead, and the training instructor.

**Knowledge Transfer** – The process of teaching, training and mentoring the State team often in an on-the-job type capacity, to bring them up to speed on the operation and support of the software so as to not require long term Vendor support.

**LDAP** - Lightweight Directory Access Protocol is an application protocol for querying and modifying data using directory services running over TCP/IP.

**Major Government Tax Authorities** – Government tax authorities at the state or other taxing level with population of 1 million and a minimum of 10 tax types including individual income tax.

**MSTC** - The Mississippi State Tax Commission - The Commission is responsible for collecting tax revenues exceeding \$6 billion annually. The goal is to efficiently and effectively perform these duties as required by law demonstrating courtesy to those we serve.

**NAICS** – North American Industry Classification System, the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

**Natural Product Evolution** – The modification and transition of the software product over its lifetime from inception to today and including how it became the product it is today.

**NCOA** – National Change of Address, a process to improve mail deliverability by providing current, standardized, delivery point coded addresses for individual, family, and business moves.

**Non-proprietary software**– Software written using free, open tools or commonly available tools. This software has no proprietary restrictions attached to it as defined by copyright laws.

**Phased Implementation** – Most business processes and one or two taxes will be implemented in Phase 1 with other taxes being phased in for each process over an agreed upon time period.

**Preliminary Project Work Plan**– Denotes the work plan to be submitted along with the proposal. Includes phases, tasks, activities and resources. Depicts the schedule along with deliverables and milestones. This will be the baseline used in the initial phases of the project to develop the final project work plan which will become a part of the contract.

**Process** – a software action performed to take data fields captured and interfaced from the MSTC deposit/return system and other systems and integrate into useful facts to a taxpayer or tax account, such as the liability reported, payment made, reporting period, associated calculated penalty and interest.

**Processing Cycles** – Specifies the entire period that includes the data input, processing, output and storage until it starts over again.

**Project Data Conversion** – Includes the process of converting taxpayer information from an old tax system into a new tax system.

**Property Tax Rolls** – Public records hosted by the counties depicting land and property ownerships.

**Regression Testing** – The process of testing through the entire system again once a fix has been accomplished to ensure that the implementation of the ‘fix’ did not adversely affect an area that was previously found to be acceptable.

**Schedule K** – Form depicting the partner’s share of Income, Deductions, Credits, etc for tax reporting purposes by individuals.

**State Data Center** – The computer hardware center of ITS which houses the State of Mississippi’s hardware and software that are used by MS state agencies. The State Data Center provides centralized IT resources to agencies requiring shared information, enterprise computing resources, or any other centrally managed resource and supports mainframes and peripherals shared by numerous state agencies, multi-tier/N-tier Infrastructure and e-mail service. State agencies utilizing the State Data Center equipment and services will benefit from the following features: Secure physical environment monitored and operated 7 days a week, 24-hours a day, including Holidays; Fully redundant power source; environmentally controlled space and fully equipped fire suppression system with fire and water alarms.

**State Government Tax Authorities**– Agencies or departments responsible for the collection and disbursement of taxes and adherence to tax law at the State government level.

**State Revenue Agency**– Interchangeable term with State Government Tax Authorities.

**Status** – A business rule driven state of a tax account or taxpayer, such as, account active, inactive, closed, bankruptcy, deceased, etc.

**Status Indicators** – a visible to the users field representing the current status of a tax account or taxpayer.

**Tobacco Manufacturer’s Shipment Report** – report that tobacco manufacturers issue detailing the location where their product was shipped.

**Triggers** – an event that occurs within a taxpayer account that creates a business rule to be kicked off and processed, such as the creating of a delinquency notice after the passage of stated time.

**User** – An MSTC employee/designee performing business processes through the use of the integrated tax system.

**User-Friendly** – The proposed solution is easy for a non-technical person to perform business tasks.

**USPS** – United States Postal Service

**Value Translation Tables** – provides definition and context for a specific value contained in a record or database

**W2** – Wage and Tax Statement provided by Employers to Employees for earnings during a tax year.



## **ATTACHMENT H**

### **ABC GLOSSARY OF TERMS**

**ABC** – Alcohol Beverage Control Office of the Mississippi State Tax Commission that manages a central wine and spirits distribution warehouse for the State of Mississippi. The ABC receives products (about 10,000 product lines) from approximately 600 vendors and distributes to approximately 1600 permitted establishments across the State.

**Accounting Division** – The ABC division responsible for the financial accounting related to the purchase and sale of distilled spirits and wines and for the collection and distribution of permit license and filing fees.

**APF** – Additional Privilege Fee, a required fee by on-premise permit holders when orders reach a defined threshold in order to continue receiving shipments, i.e., for every \$5,000 of orders an additional fee is required.

**Average orders per day** – 425 permit holders for billings and drafts on a daily basis.

**Bailment** – Bailment inventory is owned and maintained by the vendors although it is housed at the ABC warehouse. ABC is responsible for the accountability of the bailment inventory. ABC does not have title to the merchandise until the permit holder places an order, and the merchandise is shipped. Vendors are invoiced and paid twice a month for the bailment withdrawals. As the inventory level is depleted, the vendor replenishes it based on reports supplied by NABCA (National Alcohol Beverage Control Association).

**Bulk Storage** – main warehouse locations where product is stored in large quantities.

**Control State** – A state that controls the wholesale trade in alcoholic beverages. In Mississippi, the ABC Office is the statewide wholesaler of alcoholic beverages (except for native wines.)

**Diversion** – Distribution of collected revenues under the statutory provision of the State of Mississippi to other governmental entities.

**Dry Concealed Damage** - Dry cases received by permit holders which have missing, broken, or un-salable bottles.

**Enforcement Bureau** – The Bureau responsible for enforcing prohibition laws and to enforce the Local Option Alcohol Beverage Control laws.

**Freight Rate** – Per case rate charged for each case shipped from ABC, enough to cover actual cost of shipping. This rate is monitored to insure sufficient monies are collected to pay out-bound freight charges.

**Fund** – a fiscal and accounting entity, established by statute or administrative actions, recording cash and other financial resources.

**Interfaces** – electronic communications between the ABC software and other entities such as SAAS (Statewide Automated Accounting System, bank ACH transactions, order processing and permit holder queries.)

**Maximum Daily Shipping Limits** – 30,000 cases with an average of 14,000 cases out of the warehouse daily.

**NABCA** – National Alcohol Beverage Control Association, an organization consisting of the 18 control states and the control counties of Maryland.

**Oddball** – Any product in the ABC warehouse not assigned a bulk or pick location.

**Off-Premise Permittee** – Permit Holder that sells sealed containers of alcohol beverages such as package stores.

**On-Premise Permittee** – Permit Holder that sells open containers of alcohol beverages such as restaurants.

**Permit** – authority issued by the MSTC, ABC Office to an entity and business location to engage in retail sales of alcoholic beverages.

**Permit Division** – The ABC division responsible for processing permit applications, transfers, and renewals.

**Pick Line or Location** – The area (not bulk storage) in the warehouse where individual cases of product are physically placed onto the conveyor lines for out-going shipping.

**Picking Instructions (Labels)** - A computer generated report that instructs warehouse staff what to pull from the lines to ship for the day, must be in delivery order for proper truck loading and transport planning.

**Premium Wines** – Inventory owned by the State of Mississippi. There are instances where items are held for specific permit holders and there are instances where a limit is placed on order quantity.

**Price Book** – The price listings of the products available through the ABC, can change quarterly.

**Pricing** – The pricing structure maintained by the ABC which includes cost of product, statutory mark-up and sales tax rates, state and federal excise taxes. There are some exceptions to the pricing for particular permit holders.

**Processing Division** – The division responsible for data entry including orders, permit holder employee information, remittance data, shipment notifications, special order account information, purchase order adjustments, receiving reports, inventory adjustments, damage room information, split case information, inventory locations, and bill of lading information.

**Product Listing and Delisting** – There is one major listing and delisting of products which is effective in

May of each year. Delistings are determined by established sales criteria. Product quota lists are distributed to company representatives or brokers for their perusal. These can occur at other times of the year.

**Purchasing Division** – The ABC division that is responsible for ordering and pricing the products.

**Special Orders** – Special orders are placed by permit holders for items not carried in the ABC warehouse inventory. Purchasing must find a supplier for the requested merchandise and give a price quote to the permit holder. This merchandise is ordered by Purchasing, received by the warehouse, shipped to the permit holder.

**Special Purchase Allowance (SPA's)** – Discounts by suppliers are accepted by ABC and passed along to the permit holders. The discount must be at least \$2 per case and last for a period of one month.

**Split Case Location** – warehouse location where product is stored that will be repackaged at smaller than case quantities for shipping.

**Trailer Loading Instructions** – A report generated daily for the warehouse staff to be used in loading the freight truck with “last items off loaded first” methodology.

**Warehouse Division** – The warehouse is responsible for receiving, stocking, repackaging damaged merchandise, and shipping.